



## **LGSS JOINT COMMITTEE**

**Date: Friday, 14 December 2018**

**Democratic and Members' Services**

Fiona McMilan  
Monitoring Officer  
Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

**14:00hr**

**Room 214, Angel Square  
1 Angel Square, Angel Street, Northampton, NN1 1ED**

### **AGENDA**

**Open to Public and Press**

- |          |   |                |
|----------|---|----------------|
| <b>1</b> | <b>Appointment of Chairman for 2018/19</b>  |                |
| <b>2</b> | <b>Appointment of Vice-Chairman for 2018/19</b>   |                |
| <b>3</b> | <b>Apologies for absence and declarations of interest</b>                               |                |
| <b>4</b> | <b>Minutes &amp; Action Log - 30th August 2018</b>                                      | <b>5 - 14</b>  |
| <b>5</b> | <b>Update on the LGSS Annual Report and Statement of Accounts</b><br><i>Oral update</i> |                |
| <b>6</b> | <b>LGSS Budget Monitoring Report - October 2018</b>                                     | <b>15 - 30</b> |
| <b>7</b> | <b>LGSS Internal Audit Plan 2018-19</b>   | <b>31 - 52</b> |

**8 Updates to Schedule 2 of the Delegation and Joint Committee Agreements 53 - 76**

**9 Exclusion of Press and Public**

*To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to the financial or business affairs of any particular person (including the authority holding that information)*

**10 Northamptonshire Commissioner Fire and Rescue Authority**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**11 Update on the LGSS Operating Model and CIPFA Review**

*Oral update*

**12 ERP Gold Update**

*Oral update*

**13 New Business Development**

*Oral update*

The LGSS Joint Committee comprises the following members:

Councillor Robert Middleton (Chairman)

Councillor Ric Brackenbury Councillor Malcolm Longley Councillor Andy Mercer Councillor Catriona Morris and Councillor Bob Scott Councillor Chris Boden Councillor Sebastian Kindersley and Councillor Terence Rogers

*For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact*

Clerk Name: Daniel Snowdon

Clerk Telephone: 01223 699177

Clerk Email: [daniel.snowdon@cambridgeshire.gov.uk](mailto:daniel.snowdon@cambridgeshire.gov.uk)

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Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer no later than 12.00 noon three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution <https://tinyurl.com/CCCprocedure>.

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**LGSS JOINT COMMITTEE: MINUTES**

**Date:** Thursday, 30th August 2018

**Time:** 1:30pm – 3:17pm

**Place:** Council Chamber, Civic Offices, Milton Keynes Council, Milton Keynes.

**Present:** Cambridgeshire County Council (CCC):  
Councillors Sebastian Kindersley and Terry Rogers

Milton Keynes Council (MKC):  
Councillors Ric Brackenbury, Keith McLean and Robert Middleton (Chairman)

Northamptonshire County Council (NCC):  
Councillors Michael Clarke and Andy Mercer

**Others in attendance:**

M Ashton (LGSS Director of Business Services, Systems and Change), M Bowmer (LGSS Director of Finance), S Day (Acting Director of IT Services), S Homer (Interim Managing Director LGSS), C Malyon (S151 Officer Cambridgeshire County Council), M McLaughlin (S151 Officer Northamptonshire County Council), Harry Organ (KPMG), Paul Simpson (S151 Officers Milton Keynes Council and D Snowdon (Democratic Services Officer)

**Apologies:** Councillors Boden and Scott

The Chairman drew attention to a late report regarding the repatriation of Northamptonshire County Council's Strategic Finance and Democratic Services Teams that he would exercise his discretion and take before the draft minutes of the LGSS Joint Scrutiny Working Group.

**52/18 NOTIFICATION OF CHAIRMAN FOR 2018/19**

With the unanimous agreement of Members, this item was deferred to the next meeting of the Joint Committee.

**53/18 NOTIFICATION OF VICE-CHAIRMAN 2018/19**

With the unanimous agreement of Members, this item was deferred to the next meeting of the Joint Committee.

**54/18 DECLARATIONS OF INTEREST**

None.

**55/18**

**MINUTES – 12TH JULY 2018**

The minutes of the meeting held on 12 July 2018 were agreed as a correct record and signed by the Chairman.

Members noted the completion of the actions arising from the last meeting of the Joint Committee. Members also noted that discussions were continuing regarding the branding of LGSS Law and Opus LGSS; in particular whether they would continue to use LGSS in their names.

**56/18**

**REPATRIATION OF NCC PROFESSIONAL FINANCE AND DEMOCRATIC SERVICES TEAMS**

Members received a report that sought the repatriation of Northamptonshire County Council's (NCC) Professional Finance and Democratic Services Teams. In presenting the report, the S151 Officer for NCC emphasised the unprecedented challenges NCC faced for the current and following financial years including the abolition of the Council in 18 months' time. The Commissioners appointed by the Secretary of State for Housing, Communities and Local Government required the repatriation of the services in order to meet the challenges faced.

During the course of discussion Members:

- Noted comments of NCC Members that NCC had voted to support the conversion to Unitary Authorities and all District and Borough Councils that had voted thus far had also supported the proposals. The process for the creation of the 2 Unitary Authorities had begun and forensic accountants that were undertaking work at the Council required simplicity and centralisation of certain functions to affect the changes effectively. Members noted further that the reasons for the creation of the 2 Unitary Authorities were unprecedented as there were fundamental faults with the culture of NCC.
- Expressed support for the recommendation because there was no choice. The repatriation was mandated by the Commissioners and they had the powers to effect the changes. However, it was highlighted that the repatriation of the services for simplicity suggested that the current arrangements were neither clear nor simple, drawing attention to the Best Value report regarding NCC that described the relationship with LGSS as confused. The wording of the report also raised questions regarding why it only applied to NCC and not the other partner Councils.
- Expressed concern that NCC were tackling problems piecemeal and would prefer for a complete structured programme to be presented to the Joint Committee.

- Voiced concern regarding the brevity of the report and the lack of a full supporting business case including implications for the partner Councils.
- Noted the role and the powers afforded to the Commissioners at NCC.
- Noted the comments of NCC Members regarding unique problems faced by NCC and the urgency required to tackle them. The Government was monitoring progress closely and it was understood that it was concerned regarding the speed of progress.
- Expressed dissatisfaction that a decision item of such budgetary significance would be based on an extremely brief report and sought assurance regarding the implications to the partner authorities, in particular the Finance Directorate, management roles and responsibilities and that the officers affected were only NCC facing and there would be no impact upon the other partners. The Interim Managing Director, LGSS assured Members that work had been completed regarding the implications of the repatriation and it would not impact upon the other partner authorities in terms of contributions to the finance budget or services received. There were implications regarding roles and responsibilities that may affect the grading of posts, but at this stage it was unlikely to impact subject to all other things remaining the same.

It was resolved unanimously:

To confirm the repatriation of the Northamptonshire County Council Professional Finance and Democratic Services Teams from LGSS to Northamptonshire County Council.

**57/18**

### **DRAFT MINUTES OF THE LGSS JOINT SCRUTINY WORKING GROUP – 15<sup>TH</sup> AUGUST 2018**

The minutes of the LGSS Joint Scrutiny Working Group were presented to the Committee.

Members welcomed the recommendations of the Joint Scrutiny Working Group and looked forward receiving the work programme at the next meeting of the Joint Committee and the opportunity to discuss the potential pre-scrutiny work of the Committee.

It was resolved unanimously to:

Note the contents of the minutes.

**LGSS STATEMENT OF ACCOUNTS AND ANNUAL REPORT UPDATE**

The Joint Committee received the LGSS Statement of Accounts and draft Annual Report. The LGSS Director of Finance reminded Members that the accounts were non-statutory and were undertaken in order to ensure openness and transparency. Members noted that Councillor Boden whom had sent his apologies to the meeting had highlighted alterations that were required in the draft accounts and these would be made.

During a discussion of the report, Members:

- Questioned whether the deficit for 2016/17 and the projected deficit for 2017/18 were sustainable. Officers assured Members that robust budget monitoring was undertaken and drew attention to the monthly monitoring reports circulated to Members.
- Sought clarification regarding the cash and cash equivalents detailed on the balance sheet as -£8.7m. Officers explained that as LGSS was a shared service it had no bank account which presented a challenge when producing financial reports. The figure represented a reflection of the host local authorities' balance sheets.
- Requested further information regarding the remuneration of the former Managing Director, LGSS whose salary had increased significantly between 2016/17 and 2017/18. **ACTION**
- Questioned the increase in payroll of 34% year on year and whether it had been budgeted for. Officers confirmed that the costs of the management team had been fully budgeted and that changes during the year had resulted in the distorted figures. Officers agreed to provide a briefing note that would explain fully what had occurred. **ACTION**
- Drew attention to the Terms of Reference of the Joint Committee and requested that they be reviewed in order that they were a single point where all governance matters related to the Joint Committee could be found. **ACTION**
- Highlighted section 4.1 of the LGSS Annual Governance Statement where the quorum for the Joint Committee was incorrectly stated and required amendment. **ACTION**
- Noted that any Members could attend meetings of the Joint Committee and encouraged them to do so.

It was resolved unanimously to:



Note and comment on the report.

59/18

## LGSS BUDGET MONITORING REPORT – MAY 2018

The Joint Committee received the combined LGSS financial monitoring report consolidating the delegated budgets from the three core councils.

In presenting the report, the LGSS Director of Finance highlighted the current forecast year end variance and the main issues that had impacted upon it.

Members were informed that a 150k overspend relating to the internal audit function at Northamptonshire County Council (NCC) had resulted following NCC's reversal of its decision to reduce its internal audit function. The NCC S151 officer confirmed that the money would be paid to LGSS. **ACTION**

Members noted the update provided regarding Language Services by the LGSS Director, Business Systems, Services and Change. The service had had been previously provided by Milton Keynes Council which provided interpreters to various organisations. The targets for the traded service had increased and revenue had been adversely affected by some health authorities moving to telephone based work where there was a lower margin than meeting face to face. To date additional revenue generating £18k of income towards the increased target had been identified. Further work was ongoing to close the remainder of the gap..

During the course of discussion Members:

- Questioned whether there were other potentially unrealistic trading targets that posed significant risks. It was explained that there were inherent risks associated with the traded services targets. It was much easier to make efficiencies than to win new business. The budgets were monitored closely and risks were identified and raised at the earliest opportunity.
- Commented that the reports were difficult to understand and interpret and urged that they in future used clearer language. Officers explained that work was being undertaken to address the language in the reports although it was challenging to produce a report with 3 partners. Officers expressed regret that the annual statement of accounts had come before committee containing a number of errors and undertook to ensure that it did not occur again and address issues with the pagination of reports. **ACTION**
- Expressed concern with the operation of the Joint Committee and questioned whether scrutiny was effective. Officers drew attention to the continuous budget monitoring reports that were circulated

throughout the year and the work of the LGSS Joint Scrutiny Working Group. It was accepted that the model required refinement and the Operating Model Review had made a series of recommendations regarding driving improvements in governance, scrutiny and oversight within LGSS.

- Expressed concern that there was not an agenda item regarding ERP Gold. Members drew attention to the reputational damage that had occurred to LGSS due to invoices having not been paid, placing organisations including charities in financial difficulties. Attention was also drawn to the difficulties people faced when trying to contact LGSS to resolve issues. Officers confirmed that issues had arisen with Accounts Payable and there were examples where there were backlogs of work in specific teams. There were also issues with the information provided by suppliers in certain cases. Issues were dealt with robustly and if Members were contacted by people experiencing difficulties then they should contact the Interim Managing Director, LGSS.
- It was requested that ERP Gold be placed as a standing item on the agenda of the LGSS Joint Committee. **ACTION**
- A Member briefing was also requested regarding ERP Gold. **ACTION**

It was resolved to note:

- the financial monitoring position as at 31 July 2018
- the capital monitoring position regarding LGSS capital projects for CCC

## **60/18 EXCLUSION OF PRESS AND PUBLIC**

It was resolved that the press and public be excluded from the meeting for the following items on the grounds that the items contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for the information to be disclosed: information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **61/18 NEW BUSINESS DEVELOPMENT**

Members received an update from officers regarding new business development and business activities with existing customers.

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It was resolved to note the update provided.





**Introduction:**

This log captures the actions arising from the LGSS Joint Committee on 31<sup>st</sup> August 2018 and updates Members on progress in delivering the necessary actions.

<b>Minute No.</b>	<b>Item</b>	<b>Action to be taken by</b>	<b>Action</b>	<b>Comments</b>	<b>Status &amp; Estimated Completion Date</b>
<b>58/18</b>	<b>LGSS Statement of Accounts and Annual Report Update</b>		Members requested further information regarding the remuneration of the former LGSS MD whose salary had increased significantly between 2016/17 and 2017/18	Briefing note has been prepared	<b>Complete</b>
<b>58/18</b>	<b>LGSS Statement of Accounts and Annual Report Update</b>		Officers agreed to provide a briefing note that would explain the increase in payroll of 34% year on year.	Briefing note has been prepared	<b>Complete</b>
<b>58/18</b>	<b>LGSS Statement of Accounts and Annual Report Update</b>		Requested a review of the JC Terms of Reference in order that there was a single point where all governance matters could be found.	This work is ongoing.	<b>Ongoing (estimated completion date unknown)</b>
<b>58/18</b>	<b>LGSS Statement of Accounts and Annual Report Update</b>		Quorum for the JC incorrectly stated in section 4.1 of the Annual Governance Statement.	This has been corrected and will return to the Joint Committee when the Annual Statement of Accounts is presented again.	<b>Complete</b>

<b>Minute No.</b>	<b>Item</b>	<b>Action to be taken by</b>	<b>Action</b>	<b>Comments</b>	<b>Status &amp; Estimated Completion Date</b>
<b>59/18</b>	<b>LGSS Budget Monitoring Report</b>		Confirmation that NCC had paid LGSS following its reversal of the decision to reduce its internal audit function.	This continues to be reported within the budget monitoring report.	<b>Complete</b>
<b>59/18</b>	<b>LGSS Budget Monitoring Report</b>		ERP Gold to be placed as a standing item on the agenda		<b>Complete</b>
<b>59/18</b>	<b>LGSS Budget Monitoring Report</b>		Member briefing requested regarding ERP Gold	Workshop took place on 1 <sup>st</sup> November	<b>Complete</b>

**LGSS Joint Committee**

**14<sup>th</sup> December 2018**

**Subject: LGSS 2018-19 Budget Monitoring**

**Actions:**

- 1. Note the financial monitoring position as at 31<sup>th</sup> October 2018**
- 2. Note the capital monitoring position regarding LGSS capital projects.**

## **Section 1 - Executive Summary**

1. This report is the combined LGSS financial monitoring report consolidating the delegated budgets from the three core councils. The benefits to the councils are embedded within the budgets and a zero outturn position would mean that all benefits have been met for each authority's budget proposals for 2018-19. At the end of the year if there is a surplus, this would be considered by Joint Committee for reinvestment and future commitments. In the event of a deficit and no other reserves it would be split between the core councils on the basis of net budget, as per the partnering agreement.
2. The format of the report was changed from September to reflect the new LGSS Directorate structure. The service lines previously reported under the Business Systems, Services and Change Directorate now reported within Finance, IT or the Managing Director.
3. LGSS Joint Committee agreed the repatriation of NCC Professional Finance and Democratic Services to NCC on 30<sup>th</sup> August, however the budget transfers have not yet been finalised so these services continue to be reported within LGSS.

### *Revenue position*

4. The forecast variance for Operational Services at the end of October is an overspend of £257k, of which:
  - £150k is an agreed overspend with NCC in relation to savings expectations for the Audit Service
  - £65k of shared service overspends
  - £50k is an NCC specific pressure in relation to additional savings over and above the agreed plan
  - £79k are pressures in relation to the set trading targets
  - -£87k is a contribution from the partnership contingency to off set the additional costs of the interim Managing Director.

Of the forecast variance of £257k, £200k is NCC specific, leaving an LGSS partnership overspend of £57k. This is a slightly worsened position compared to the September forecast LGSS partnership overspend of £30k due to decreases in forecast trading income. Further detail is set out in section 2 and Appendix 1.

	<b>Previous LGSS Net Variance £000</b>	<b>Full Year Budget £000</b>	<b>Current LGSS Net Forecast Variance £000</b>
<b>Total LGSS Services</b>	<b>337</b>	<b>43,311</b>	<b>215</b>
Trading Account / Partnership Contingency / Budget issues to be resolved	-107	-13,058	42
<b>Total LGSS Operational</b>	<b>230</b>	<b>30,253</b>	<b>257</b>

5. The main changes since the September report are summarised below (detail is contained in appendix 1) :
  - The Finance Directorate position has improved by £18k compared to last month.
  - The HR Directorate position has improved by £68k compared to last month.
  - The LGSS Managing Director position has improved by £33k compared to last month.
  - The Trading account position has worsened by £109k reflecting the latest position around surplus from LGSS trading activities.



6. Robust action is being taken to mitigate the forecast overspend including: review of vacant posts to identify savings, revisiting trading targets particularly around digital and Learning and Development services, and further work on the Language Service to continue to improve the income position and reduce the forecast overspend.
7. Savings delivery – At this stage of the year the savings tracker is showing £415k of savings rated red, £335k rated amber and £2,160k rated green.

#### *Reserves position*

8. The balance in LGSS reserves at 31 March 2018 was £76k.
9. The partnership contingency has a budget during 2018-19 of £648k as set out in the LGSS Strategic Plan. The following usage of this budget has been agreed to date:

<b>Partnership contingency</b>	<b>2018-19 (£000s)</b>
Opening balance	648
<i>Draw down:</i>	
Interim MD	-87
Stabilisation and Improvements to ERP	-380
Helpdesk improvements	-65
<b>Remaining balance</b>	<b>116</b>

Any remaining balance in the contingency budget at year end will be transferred to LGSS reserves.

10. Total LGSS available reserves therefore total £192k, but taking into account the forecast LGSS overspend of £57k as set out above leaves a forecast reserve balance at year end of £135k. Further detail is provided at Appendix 3.

#### *Budget Reconciliation*

11. The budgets for all 3 authorities have been reconciled to the Strategic Plan, and a summary of movements in the year to date can be seen in Appendix 4.

#### *Capital Position*

12. The capital position at the end of October can be seen in the table below, further detail is shown in Appendix 5.

<b>Authority</b>	<b>Exp Budget</b>	<b>Forecast Total Life of Project</b>	<b>Over / (Under) Spend v Approved Exp</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
CCC	2,025	2,025	0
NCC	21,647	21,398	-249
MKC	6,885	6,885	0

## **Section 2 - LGSS Operational – October 2018**

	Previous Forecast Variance £000	Gross Exp Budget £000	External Income Budget £000	Internal Income Budget £000	Full Year Budget £000	Actuals to Oct £000	Full Year Forecast Variance £000
Finance Services	245	22,318	-6,315	-1,585	14,419	6,930	227
Human Resources	-69	11,641	-2,228	-364	9,049	5,180	-137
Information Technology Services	0	22,359	-777	-3,807	17,775	12,782	0
Managing Director & Support	161	3,059	-928	-63	2,069	1,330	125
<b>Total LGSS Services</b>	<b>337</b>	<b>59,378</b>	<b>-10,248</b>	<b>-5,819</b>	<b>43,311</b>	<b>26,221</b>	<b>215</b>

Trading Account	-30	34	-13,285	0	-13,251	-10,468	79
Partnership Contingency	-127	268	0	0	268	0	-87
NCC Budget items to be resolved	50	-75	0	0	-75	0	50

<b>Total LGSS Operational</b>	<b>230</b>	<b>59,605</b>	<b>-23,533</b>	<b>-5,819</b>	<b>30,253</b>	<b>15,753</b>	<b>257</b>
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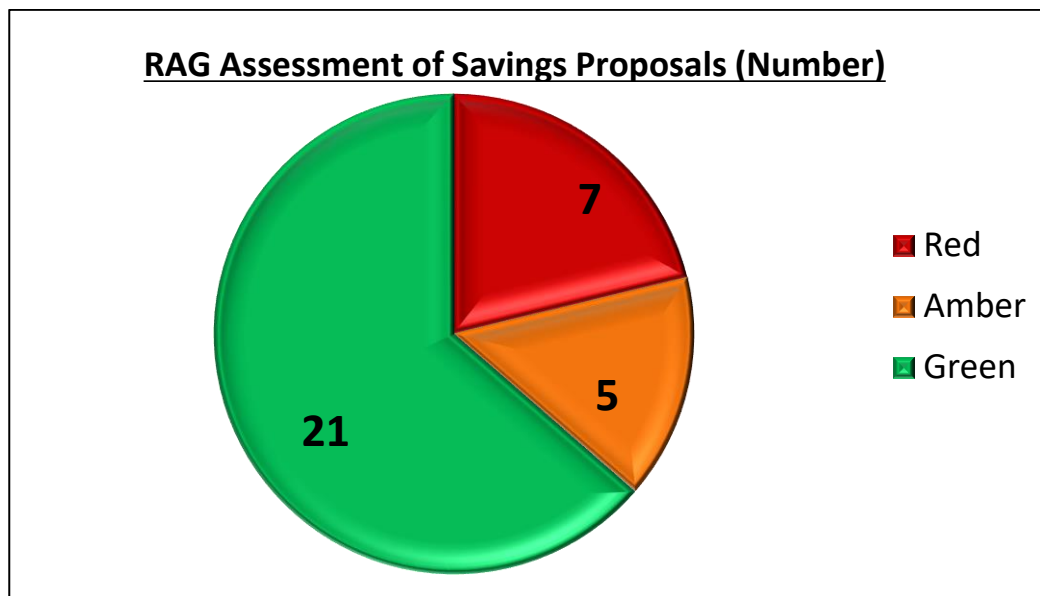
### *Revenue position*

1. The forecast outturn variance on LGSS Services at the end of October is an overspend of £215k, of which £150k is directly attributable to NCC. It has been agreed that a transfer will be made from the partnership contingency to cover the additional costs of the LGSS interim Managing Director which will reduce the LGSS overspend. There is an anticipated pressure of £79k on the trading account which will be split between CCC and NCC at year end. There are also budget issues to be resolved with NCC totalling £75k of which £50k relates to a late savings target asked of LGSS by NCC but for which no actions have yet been agreed to deliver creating an additional £50k NCC specific pressure.
2. Overall, this gives a forecast LGSS operational overspend of £257k of which £200k is attributable to NCC and £57k to LGSS. Further detail and commentary is provided at Appendix 1.
3. NCC have issued a Stabilisation Plan to address in year budget issues, including the £200k specific pressures referred to above. As part of that plan NCC have set a target for LGSS to deliver additional savings for NCC of £336k across delegated and managed budgets in 2018/19. LGSS will be working with NCC to identify reductions to service provision to NCC to meet this target avoiding any impact to service provision to CCC and MKC. To date £159k has been delivered against the £336k savings target.

### *Savings delivery*

4. The Budget Savings Tracker enables service managers to give a monthly update on the delivery of 2018-19 savings and benefits as set out in the LGSS Strategic Plan. A summary of this information is given at paragraph 3 below. This is monitored and reviewed on a monthly basis with LGSS Directors, the Finance Director and the Managing Director.
5. The tracker shows current savings at risk totalling £750k. A summary of the current RAG rating of budget proposals by Directorate is shown below:

Directorate Summary of Savings Proposals	Summary Proposal By Value and Directorate: LGSS savings				
	No. of proposals	Total Savings	Red	Amber	Green
Human Resources	2	189	0	0	189
Information Technology	9	1,265	225	270	770
Finance Services	10	592	90	29	473
Strategic Management	4	302	40	0	262
NCC specific savings	8	562	60	36	466
<b>Total</b>	<b>33</b>	<b>2,910</b>	<b>415</b>	<b>335</b>	<b>2,160</b>



**Red** = savings which are at significant risk of not being delivered in this financial year. Funding should be provided by NCC for the NCC specific ones.

**Amber** = savings where plans have not yet been identified for the full amount. Many will be delivered part way through the year delivering some of the savings target, and mitigating actions will be taken to offset any savings shortfall.

**Green** = savings expected to be fully deliverable in year.

### Capital position

6. The table below summarises the capital projects within LGSS. LGSS projects are all fully funded from either external funding sources or by the individual authorities discretionary funding. CCC capital schemes are forecast to deliver to budget. Appendix 3 gives further detail on a scheme by scheme basis.

Authority	Expenditure Profile							Funding Profile		
	Exp Budget	Prev Year's Exp	Actuals 2018-19	Forecast 2018-19	Forecast Future Years	Total Life of Project	Over / (Under) Spend v Approved Exp	External	Discretionary	Total Funding of Project
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CCC	2,025	1,891	0	134	0	2,025	0	0	2,025	2,025
NCC	21,647	20,949	25	424	0	21,398	-249	753	20,806	21,559
MKC	6,885	5,675	76	281	853	6,885	0	0	6,885	6,885

## **Appendix 1**

### **2018-19 Monitoring Detail – LGSS Operational Budgets**

#### **Finance Services Directorate**

	<b>Previous Forecast Variance</b>	<b>Gross Exp Budget</b>	<b>External Income Budget</b>	<b>Internal Income Budget</b>	<b>Full Year Budget</b>	<b>Actual to Oct</b>	<b>Full Year Forecast Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Finance Services Directorate:</b>							
Finance Leadership	4	159	0	0	159	4	4
Professional Finance							
CCC	10	1,884	0	-328	1,555	10	10
MKC	0	1,939	-53	-64	1,822	0	0
NCC	0	1,277	-10	-198	1,069	0	0
Premature Retirement Costs	0	133	0	0	133	0	0
Financial Operations	74	3,740	-245	-65	3,430	116	116
Debt & Income Service	0	952	-2	-112	838	0	0
Integrated Finance Services	-11	1,814	-625	-359	830	-11	-11
Audit & Risk	150	2,058	-422	-175	1,461	150	150
Pensions Operations	0	4,734	-4,734	0	0	0	0
Norwich	0	1,067	0	0	1,067	0	0
NBC	0	681	-5	0	677	0	0
Procurement	18	1,428	-159	-12	1,256	18	18
Insurance	0	452	-59	-271	122	-60	-60
<b>Total</b>	<b>245</b>	<b>22,318</b>	<b>-6,315</b>	<b>-1,585</b>	<b>14,419</b>	<b>227</b>	<b>227</b>

The Directorate is currently forecasting an overspend of £77k plus an agreed overspend in Internal Audit of £150k directly attributable to NCC.

There is insufficient budget for the Director post, which causes an annual pressure of £4k, however, this will be addressed for 2019-20 now that the new structure is in place and budgets can be realigned.

The CCC Professional Finance team anticipate a £10k forecast overspend. Delivery of over 80% of the MKC business case saving is on track although this is predominantly through efficiencies in business partner activity rather than as a result of direct MKC collaboration. It has not been possible to hold vacancies seen at previous levels at the start of this year, a proactive response has been needed to address the additional workload associated with the faster closedown of final accounts nationally and the one-off impact of the changeover in financial system.

The NCC Professional Finance team has been strengthened in year with a Deputy S151 post in line with the other LGSS partners and additional resource in Corporate Finance. This capacity was recruited in agreement with NCC's S151 Officer who committed to resource the additional posts. Joint Committee (30<sup>th</sup> August) agreed to transfer the professional finance and democratic services teams back to NCC and this will be completed once the budget transfers have been confirmed.

Finance Operations are reporting a total pressure of £116k which comprises of £18k due to the interim costs of the Head of Finance Operations role, £44k in Financial Assessments due to the legacy HUB team in MKC for salaries in April and May, £13k due to additional costs incurred through launch of Tradeshift, £10k due to additional resources required supporting Accounts Payable Helpdesk and £31k pressure in Payables due to shortfall in budget following restructure of £51k, however, other budget lines reduces this to £31k.

Debt Recovery and Income is a separate service for 2018-19. This was previously part of Financial Operations but investment was agreed to separate this out and bring in additional management capacity to reduce outstanding debt levels for the partner authorities. Planned efficiencies in the LGSS Strategic Plan have been delivered for 2018-19 following the restructuring earlier in the year but further work is underway given the additional senior role now in place.

The Integrated Finance Service continues to forecast a small underspend of £11k. The 2016/17 NBC audit is drawing to a conclusion and discussions will need to be finalised to confirm the cost to the service to deliver the audit which has been far more substantive in nature and has required significant resource to resolve NBC asset valuation issues that impacted on the accounts. Pressures on schools income continue, which are currently being offset by savings that have resulted from vacancies across the Service.

Savings of £150k were required from Audit and Risk by NCC. The NCC Director of Finance recognised that this reduction would put the authority at risk in the current context and agreed its reversal. It was anticipated that a budget adjustment would be made to reverse this savings request and remove the reported pressure. However, this has not happened for 2018/19 is now an agreed overspend with NCC.

Pensions has an efficiency sharing SLA in place with the two funds and has delivered their target efficiencies early for the next three years.

There is an £18k pressure in Procurement due to a small delay in a planned restructure which is now underway. Every effort is being made to eliminate this projected pressure by tightly controlling all expenditure.

Within Insurance an underspend of £60k is now being forecast as a result of the overachievement of income targets in respect of services to academies and MKC schools and underspends on other operational budgets.

### **Human Resources Directorate**

	<b>Previous Forecast Variance £000</b>	<b>Gross Exp Budget £000</b>	<b>External Income Budget £000</b>	<b>Internal Income Budget £000</b>	<b>Full Year Budget £000</b>	<b>Actual to Oct £000</b>	<b>Full Year Forecast Variance £000</b>
<b>Human Resources Directorate:</b>							
HR Central Management	14	150	0	0	150	103	14
Policy & Strategy	-43	1,076	0	0	1,076	551	-46
Health, Safety & Wellbeing	-49	741	-132	-95	514	205	-55
HR Business Partners							
CCC	-33	1,190	0	-97	1,093	674	-33
NCC	-144	925	0	0	925	416	-140
MKC	4	771	0	-55	716	486	-25
NCC Schools Income	52	168	-256	10	-78	-111	52
MKC Schools	0	156	-151	0	5	-37	13
Learning & Development	197	3,997	-990	-18	2,989	1,812	111
Transactional Services	-67	2,468	-699	-109	1,659	1,080	-28
<b>Total</b>	<b>-69</b>	<b>11,641</b>	<b>-2,228</b>	<b>-364</b>	<b>9,049</b>	<b>5,180</b>	<b>-137</b>

The Directorate is currently forecasting an underspend of £137k.

The forecast for Health, Safety and Wellbeing has improved to a £55k underspend which is in relation to additional income which has been identified of £24k, and the transfer of an NCC specific savings target transferring to the Managed budget.

The net underspend on HR Business Partners is due to vacancies and income generated through additional SLA support to Children's in NCC. These are being partially offset by a £52k shortfall on the schools income target.

There is a pressure on Learning and Development staffing caused by a reduction in grant funding. The service is currently investigating mitigations and continues to freeze vacant posts. There are £300k NCC specific savings within the L & D service, which will be achieved through a reduced service offering, or be borne directly by NCC.

It is estimated that there will be a shortfall in income of approximately £28k in the payroll service, as more schools convert to academies and use the payroll provider of their multi-academy trust. This is being offset by an increased underspend on staffing and baseline staffing will be re-adjusted.

### **Information Technology Directorate**

	<b>Previous Forecast Variance £000</b>	<b>Gross Exp Budget £000</b>	<b>External Income Budget £000</b>	<b>Internal Income Budget £000</b>	<b>Full Year Budget £000</b>	<b>Actual to Oct £000</b>	<b>Full Year Forecast Variance £000</b>
<b>IT Directorate:</b>							
Cambridgeshire County Council	0	2,316	0	-974	1,342	1,294	0
MKC IT	0	2,495	-1	-50	2,444	1,743	0
MKC IT Schools	0	405	-219	-243	-57	-257	0
Northamptonshire County Council	0	2,692	-39	-618	2,035	1,176	0
Norwich	0	2,556	-250	0	2,306	1,652	0
NHFT	0	3,469	-253	0	3,217	2,175	0
Strategy & Architecture	0	887	-16	-109	761	500	0
Digital Services	0	2,011	0	-1,177	834	1,677	0
Service Delivery	0	1,334	0	-391	943	921	0
LGSS Business Systems & Change ERP Programme		3,813	0	-245	3,568	1,899	0
		380	0	0	380	0	
<b>Total</b>	<b>0</b>	<b>22,359</b>	<b>-777</b>	<b>-3,807</b>	<b>17,775</b>	<b>12,782</b>	<b>0</b>

The Directorate is not currently forecasting any variances. There is now a full reconciliation of establishment with budget.

The service has undergone a rigorous zero based budgeting exercise to reconcile budgets, activity, income and establishment. The last part of reviewing all income sources is still ongoing. This will document the range of income sources and standardise the mechanism for collection of income across the Directorate. Work on this review will finally complete in the next month.

LGSS Business Systems and Change are mitigating the cost pressure on the annual systems licences costs as the budgets in NCC and CCC were not uplifted for inflation. Additional savings of £100k have been taken this year from the LGSS Programme team within this service. The risk of not meeting this through the recharging of programme resources to individual projects is being mitigated by not filling vacant posts until future internal recharges can be secured, which will mean there may be limited resources for any future work requiring the programme team.

## Managing Director & Support

	Previous Forecast Variance £000	Gross Exp Budget £000	External Income Budget £000	Internal Income Budget £000	Full Year Budget £000	Actual to Oct £000	Full Year Forecast Variance £000
Managing Director & Support	143	320	-10	0	310	188	110
LGSS Business Planning & Finance	0	464	0	0	464	217	-73
LGSS Restructures	0	0	0	0	0	93	104
Customer Engagement	23	387	0	0	387	249	24
Language Service	40	758	-738	-65	-45	238	40
Business Development	0	244	-69	0	174	16	-33
Democratic Support Services	-45	885	-110	2	777	329	-47
<b>Total</b>	<b>161</b>	<b>3,059</b>	<b>-928</b>	<b>-63</b>	<b>2,069</b>	<b>1,330</b>	<b>125</b>

The forecast overspend on Managing Director and Support reflects the additional costs of the interim Managing Director compared to the original budget and the costs of the Operating Model review. The previous forecast reflected the interim post continuing to the end of the financial year. However, the forecast has now been reduced to reflect the new arrangements from December. It was agreed that this overspend will be funded by the partnership contingency so the reduction in costs is matched by an equivalent reduction in the funding from the partnership contingency as set out in Appendix 3.

There is a £174k savings target included within the Managing Director budget linked to the review of LGSS structures. This saving has been delivered for 2019/20 and beyond by the reorganisation of the LGSS Leadership Team, reduction of one Director post and structural savings within LGSS Business Planning and Finance. Because some of the structural savings have been delivered part way through this year, there is a forecast overspend of £104k against this savings target in year. This is being offset by £73k within LGSS Business Planning and Finance and £33k within Business Development from posts being held vacant and team restructuring.

Customer Engagement are forecasting a £24k pressure due to a combination of agency staff to backfill vacancies, and acting up payments until March 2019 to support delivery of business priorities.

A detailed review of the Language Service took place in August and the forecast overspend has reduced to £40k. The Service are working hard to try and achieve this challenging target and will continue to closely monitor it.

Within DSS CCC, £65k underspend is due to vacancies and additional income from the Combined Authority and CCC Fire Service. NCC DSS have reported £18k overspend due to a reduction in expected grant funding from Police & Crime Commissioner and increased expenditure in Schools Appeals. Joint Committee (30<sup>th</sup> August) agreed to transfer the professional finance and democratic services teams back to NCC and this will be completed once the budget transfers have been confirmed.



## **Appendix 2**

### **2018-19 Monitoring Detail – Budgets managed by LGSS on behalf of others.**

LGSS manages budgets on behalf of each authority and performance against these budgets is separately reported within each of the authority's monthly monitoring processes. As any under or overspend on these budgets are directly attributable to the individual authority, they do not form part of the partnering/sharing arrangements. However, for information purposes, the latest forecast outturn for budgets managed by LGSS on behalf of others is provided below. This information is also sent on a monthly basis to the CFO of each authority.

	<b>Previous Forecast Variance</b>	<b>Gross Exp Budget</b>	<b>External Income Budget</b>	<b>Internal Income Budget</b>	<b>Full Year Budget</b>	<b>Actual to Oct</b>	<b>Full Year Forecast Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cambridgeshire County Council:</b>							
Insurance	0	2,139	0	0	2,139	39	0
Members Allowances	0	1,034	0	0	1,034	607	0
National Management Trainees	7	179	-8	0	172	119	7
Health & Safety Counselling	0	36	0	0	36	2	0
Information Technology	140	4,655	-202	-1,459	2,994	3,973	198
<b>Total</b>	<b>147</b>	<b>8,044</b>	<b>-210</b>	<b>-1,459</b>	<b>6,375</b>	<b>4,740</b>	<b>204</b>
<b>Milton Keynes Council:</b>							
Human Resources	-15	144	0	0	144	275	-9
Information Technology	0	547	0	-451	96	389	0
<b>Total</b>	<b>-15</b>	<b>691</b>	<b>0</b>	<b>-451</b>	<b>240</b>	<b>664</b>	<b>-8</b>
<b>Northampton Borough Council:</b>							
Finance Managed	0	260	0	0	260	-217	0
Information Technology	0	0	0	0	0	-141	0
Insurance	0	754	0	26	781	0	0
NBC Managed Income	0	1,271	-2,312	0	-1,041	2,209	0
<b>Total</b>	<b>0</b>	<b>2,285</b>	<b>-2,312</b>	<b>26</b>	<b>0</b>	<b>1,851</b>	<b>0</b>
<b>Northamptonshire County Council:</b>							
External Audit	300	244	0	0	244	90	300
Social Care	45	0	-45	0	-45	189	45
Occupational Health	0	365	0	0	365	66	0
Information Technology	0	3,388	0	0	3,388	4,014	0
Democratic Services	-69	954	0	0	954	419	-112
<b>Total</b>	<b>276</b>	<b>4,951</b>	<b>-45</b>	<b>0</b>	<b>4,906</b>	<b>4,777</b>	<b>233</b>

#### **Cambridgeshire County Council**

There is a forecast overspend in National Management Trainees. This is due to the service needing new employees and not having the full budget to cover the costs. There is a forecast overspend in IT of £198k due to changes in the desk phone contract and the increased cost in Microsoft Licences. This is expected to be a one off pressure in 2018-19.

#### **Milton Keynes Council**

There is a small underspend of £15k in HR due to a vacant post linked to Trade Union activity.

#### **Northampton Borough Council**

There are no reported variances on the budgets managed by LGSS on behalf of NBC

## **Northamptonshire County Council**

There is a forecast overspend of £300k resulting from KPMG fees on 2017-18 audit; the amount is currently in dispute and therefore this is based on an estimate.

There is a forecast overspend of £45k on the Social Care direct payments budgets. This is due to there being an unachievable income target on this service. The nature of this service is that all payments made are recovered so there is no way of generating this income.

In IT, £221k of the £361k savings have been achieved. The remaining £140k will be achieved from contract renewals with negotiations to drive down costs. These contract are not up for renewal until September 2018, so there is some risk with regard to this saving.

NCC DSS LGSS Managed forecast underspend of £112k from legacy purchase order receipts not closed prior to transfer to ERP which will be a one off benefit in year and lower expenditure incurred on councillor allowances and training due to changes in current political structure.

## Appendix 3

### Summary Position on LGSS Reserves

Reserve	Opening balance 1 April 2018 per Outturn report	Forecast Movements in year		Forecast Closing balance 31 March 2019	Commentary on expected movements
		Transfers to reserves	Transfers from reserves		
	£000	£000	£000	£000	
LGSS General reserve	76	116	-57	135	Forecast movement reflects transfer in of the balance of the partnership contingency budget as set out below offset by the current forecast LGSS overspend
<b>Total</b>	<b>76</b>	<b>116</b>	<b>-57</b>	<b>135</b>	

Partnership contingency	Forecast Movements in year £000	Commentary on expected movements
Opening budget	648	
Additional LGSS Managing Director costs	-87	To fund additional LGSS Managing Director costs – reduced from £127k due to new arrangements for the LGSS MD post from December.
ERP Gold	-380	Stabilisation and improvements to ERP Gold post implementation, optimisation of the ERP Gold configuration for user productivity, improvements in reporting, review and reprioritisation of current and future ERP Gold roadmap developments, whilst delivering immediate improvements for the benefit of all, and Increased face to face user support and learning.
Helpdesk	-65	Redesign end to end processes to support self service and demonstrably improve the customer experience
<b>Forecast Closing balance 31 March 2019</b>	<b>116</b>	<b>To be transferred to LGSS reserves</b>

## Appendix 4 – 2018-19 Budget Reconciliation

The below table shows how the 2018-19 LGSS budget has changed throughout the year, in relation to the budgets reported in the strategic plan.

	CCC £000	NCC £000	MKC £000	Total £000
Net budget as per Strategic Plan	8,871	10,636	8,784	28,292
<b><u>Movements</u></b>				
Health & Safety staff counselling moved to CCC Managed	-36			-36
Corporate legal budgets returned to CCC/NCC	-102	-90		-192
LGSS Law dividend/retained earnings income target returned to CCC/NCC	102	102		204
Removal of OCS income target		1,755		1,755
MKC Pay Inflation 2% (excluding R&B)			161	161
MKC Salary Increments			70	70
<b>Budget as at 31<sup>st</sup> October</b>	<b>8,835</b>	<b>12,403</b>	<b>9,016</b>	<b>30,254</b>

## Appendix 5 LGSS Capital Budget Monitoring – October 2018

The tables below show a summary of the Capital schemes for NCC, MKC & CCC as at October 18.

NCC	Expenditure Profile							Funding Profile		
All Figures in £000's Scheme Name	Exp Budget	Prev Year's Exp	Actuals 2018-19	Forecast 2018-19	Forecast Future Years	Total Life of Project	Over/ (Under) Spend v Approved Exp	External	Discretionary	Total Funding of Project
Project Angel & NGW IT**	5,500	5,651	25	0	0	5,676	176	0	5,500	5,500
Microsoft ESA & ECI 2014-17	1,525	1,266	0	0	0	1,266	-259	0	1,525	1,525
Next Generation ERP*	2,024	2,079	0	5	0	2,084	60	100	1,836	1,936
Date Centre Refurbishment	994	1,009	-2	0	0	1,007	13	94	900	994
Civica ICON #	267	267	-1	0	0	266	-1	0	267	267
Next Generation / Model Office	383	181	21	180	0	382	-1	0	383	383
(IT) Annual review of Core Applications	870	825	17	0	0	842	-28	0	870	870
(IT) Delivery of Corp & Dir Applications	7,013	6,935	0	78	0	7,013	0	0	7,013	7,013
NCC Wide Area Network (WAN)	900	901	-43	43	0	901	1	0	900	900
Other Schemes less than £500k	2,171	1,835	8	118	0	1,961	-210	559	1,612	2,171
<b>Total</b>	<b>21,647</b>	<b>20,949</b>	<b>25</b>	<b>424</b>	<b>0</b>	<b>21,398</b>	<b>-249</b>	<b>753</b>	<b>20,806</b>	<b>21,559</b>

\* There is a £60k overspend on the Next Generation ERP project, this is solely attributable to NCC as it relates specifically to the capitalisation of professional finance staff and funding is being sought for this overspend.

\*\* Project Angel is complete and the expenditure showing in 2018-19 is to be moved.

MKC	Expenditure Profile							Funding Profile		
All Figures in £000's Scheme Name	Exp Budget	Prev Year's Exp	Actuals 2018-19	Forecast 2018-19	Forecast Future Years	Total Life of Project	Over/ (Under) Spend v Approved Exp	External	Discretionary	Total Funding of Project
Next Generation ERP*	2,718	2,561	2	155	0	2,718	0	0	2,718	2,718
Data Hosting & Storage	3,557	3,106	74	76	301	3,557	0	0	3,557	3,557
Replacement Frameworki	610	8	0	50	552	610	0	0	610	610
<b>Total</b>	<b>6,885</b>	<b>5,675</b>	<b>76</b>	<b>281</b>	<b>853</b>	<b>6,885</b>	<b>0</b>	<b>0</b>	<b>6,885</b>	<b>6,885</b>

- Next Generation ERP - final payment due in 18/19

CCC	Expenditure Profile							Funding Profile		
All Figures in £000's Scheme Name	Exp Budget	Prev Year's Exp	Actuals 2018-19	Forecast 2018-19	Forecast Future Years	Total Life of Project	Over/ (Under) Spend v Approved Exp	External	Discretionary	Total Funding of Project
Next Generation ERP*	2,025	1,891	0	134	0	2,025	0	0	2,025	2,025
<b>Total</b>	<b>2,025</b>	<b>1,891</b>	<b>0</b>	<b>134</b>	<b>0</b>	<b>2,025</b>	<b>0</b>	<b>0</b>	<b>2,025</b>	<b>2,025</b>

- Next Generation ERP - final payment due in 18/19

## **LGSS INTERNAL AUDIT REPORT PLAN 2018/19**

*To:* **LGSS JOINT COMMITTEE**

*Meeting Date:* **14<sup>th</sup> December 2018**

*From:* **Head of Internal Audit**

*Purpose:* **To consider the LGSS Internal Audit Plan 2018/19**

*Recommendation:* **The Committee is asked to:**

- a) note and approve the combined LGSS 2018/19 and 2019/20 audit plans**
- b) highlight any governance issue it would like to be included within the proposed audit plan. (NB. Key issues would include critical LGSS risks where the Joint Committee would benefit from Internal Audit assurance)**
- c) note that given other unplanned pressures on Internal Audit and the LGSS change agenda (eg ERP, support to NCC Commissioners etc, CIPFA reviews of LGSS etc) the 18-19 work will be programmed as part of a combined 2018-20 audit plan. The Annual Audit opinion for 18-19 will therefore place reliance on testing associated with client transactions as opposed to the corporate governance of LGSS as a shared service entity with delegated powers**

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## **1. RECOMMENDATIONS**

- 1.1 The Joint Committee (JC) are invited to note and approve the combined LGSS 2018/19 and 2019/20 audit plans.
- 1.2 The JC is invited to highlight any governance issue it would like to be included within the proposed audit plan NB Key issues would include critical LGSS risks where JC would benefit from IA assurance.

The JC are asked to note that given other unplanned pressures on Internal Audit and the LGSS change agenda (eg ERP, support to NCC Commissioners etc, CIPFA reviews of LGSS etc) the 18-19 work will be programmed as part of a combined 2018-20 audit plan. The Annual Audit opinion for 18-19 will therefore place reliance on testing associated with client transactions as opposed to the corporate governance of LGSS as a shared service entity with delegated powers.

## **2. INTRODUCTION**

- 2.1 This report sets out the basis for an LGSS Internal Audit Plan (Appendix 2) and the professional audit standards (Appendix 1) that drive the need for an LGSS audit plan. The draft plan was considered by the LGSS Management Team on 25/09/18 and 16/11/18.
- 2.2 Despite the service outlining proposals to the previous LGSS Managing Director the service has not audited LGSS systems, except as part of client specific assurance plans. Each client approves an Audit Plan under their responsibilities as defined within the Accounts and Audit Regulations (A&A) and Public Sector Internal Audit Standards (PSIAS). Whilst there is significant overlap between LGSS delivery of client services and LGSS management controls there is a need to audit those overarching organisational controls operated by LGSS.
- 2.3 During 2016/17 and into 2017/18 LGSS IA was externally reviewed (as required by the PSIAS) which found the service compliant with its PSIAS requirements. That assurance was reported to CCC, NCC and MKC Audit Committees.
- 2.4 The audit of LGSS (as a separate 'organisation') is a current gap within audit scope and coverage. It is estimated that 80-90% of LGSS activity is undertaken through delegated powers from individual clients and/or contract specifications. The audit of those systems test the operation of controls irrespective of whether performed by client or LGSS staff. That work provides each client with the required Annual Audit Opinion that supports each Client's Annual Governance Statement.
- 2.5 Whilst client audit plans provide 80-90% coverage of LGSS activities, the management of LGSS as a distinct shared service operation, exercising delegated powers from multiple sovereign partners, is not currently audited. The need for these areas to be audited is illustrated by the recent need to engage CIPFA in reviewing the 'operating model' of LGSS.



- 2.6 The proposed LGSS plan (as detailed at Appendix 1) estimates 150 days pa are required which equates to just 3% of the 3 sovereign partners plans and only 2% of the total client plans. The assurances derived should be relevant to all clients and the reputation of GLSS within the shared service marketplace.
- 2.7 The LGSS IA service aims to provide the estimated plan within existing resources but given the areas have not been audited before the plan is an indicative, additional and unfunded pressure on the existing structure of the IA service. The resources needed are an estimate based on client plans and the adequacy of control across clients which is mostly good.
- 2.8 Within the first periods auditing a new organisation the first 2 years of testing provide evidence to determine the resources required. **Given the CIPFA reviews may significantly alter the operating model that may reduce the need to audit LGSS separately or more likely complicate its audit and combined with initial analysis of ERP controls etc provide some indications the current estimate is optimistic and additional resources may be required if the completion of audit plans is to be achieved.** Once reliable systems and compliance are verified it should be possible to reduce the resources required from the initial estimate.
- 2.9 Client concerns regarding LGSS governance have been increasingly vocalised within client audit committees where perceptions have been expressed that the value for money delivered by LGSS and its controls / governance are not demonstrable / transparent. IA has been asked to review those issues on an adhoc nature which inevitably provides a focus on negatives / concerns as opposed to a systematic, objective opinion on LGSS activities and controls. Again illustrating the need for an annual audit of LGSS key controls and processes.
- 2.10 Appendices
- 1) Summary of Regulations and Standards applicable to public sector
  - 2) Internal Audit Proposed LGSS 2018-20 Audit Plan
- 2.11 Client specific annual audit plans are available on request and are approved by client Audit Committee's following consultation with each Client's senior management team. It is also highlighted that the IA service delivers to the following clients in addition to LGSS's sovereign partners (CCC, NCC and MKC) as well as adhoc work across the regional public sector eg Academies and Parish Councils:

Melton Borough Council	Norwich City Council
Harborough District Council	East Cambridgeshire District Council
East Northamptonshire Council	LGSS Law Ltd
Rutland County Council	MK Development Partnership

Corby Borough Council	Northants Partnership Homes (Fraud)
Northants Fire Authority	

### 3. ISSUES

- 3.1 The content of client approved audit plans is relevant to LGSS Joint Committee in demonstrating the common themes (and thus efficiencies from a shared service Internal Audit). A separate / distinct LGSS Audit Plan is needed that:
- 3.1.1 Provides assurance to LGSS sovereign owners re: the governance of LGSS operations as a distinct Shared Service Provider eg savings delivery, operational management etc
  - 3.1.2 Enables LGSS IA provide assurance to all clients re: LGSS governance and efficiency eg independent analysis of target delivery / performance management
  - 3.1.3 Auditing LGSS's delivery of client services does not provide sufficient assurance to clients re: LGSS governance.
- 3.2 Modern auditing no longer 'fixes' Audit Plans' across multiple years and best practice pushes a good IA service to review and change its annual plans throughout each financial year. That review is undertaken quarterly across all sites and submitted to each Leadership / Management Team and Audit Committee (as well as 151 Officers).
- 3.3 Client plans are flexible and all efforts will be made to maximise coverage to provide the most effective and agile internal audit service possible that focuses on key risks facing the organisation throughout the year.
- 3.4 The timing of individual audits are aligned as much as possible to enable efficient auditing e.g. financial systems audits are undertaken in quarter 4 to enable sufficient sample testing of financial years transactions to inform / assure the external auditor and support Annual Governance statement etc. This remains an evolving tension across all clients.
- 3.5 Appendix 2 outlines, within the same structure and format used for every client consistent with best practice, an LGSS 2018/20 Internal Audit annual plan. The key headings within the plan are summarised below together with a brief outline of the audit work proposed and assurances to be derived:
- 3.5.1 Organisational governance
    - Joint Committee and Management Team role and duties

*Good governance is achieved from clarity and a shared understanding (and*

*compliance) with senior strategic and operational management responsibilities across LGSS. The Joint Committee provides a Board of Directors role that oversees good governance across shared service delivery. The audit of this heading would focus on quorate strategic decisions including informed, recorded and disseminated decisions and appropriate schemes of delegation to senior managerial roles. EG target setting and prioritisation of shared service delivery and improvement, MTFP approvals, reserved decisions etc.*

- LGSS specific key policies and procedures (as distinct from LGSS adherence to client policies) eg shared service budget management, agile working etc

*Some operations require shared service policy beyond client policy. An example might be LGSS business continuity distinct from individual client BC plans.*

- Shared Service Risk Management / Business Continuity arrangements

*LGSS manages risks (both threats and opportunities) distinct from client risks. An example would be income generation / traded services where revenue subsidises the cost of services to sovereign partners but can be perceived or in reality dilute resources applied to client services.*

### 3.5.2 Target Operating Model

This heading describes those systems where LGSS delivers its shared service objectives in addition to service specific delivery measures for clients. Assurance will be tested that LGSS has sufficient systems and controls to deliver its organisational objectives across all clients and those performance measures set by the Joint Committee.

*This area encompasses performance management measures and savings targets etc where the shared service model can deliver lower costs from economies of scale (and other models). The coordination of these across shared services is a key governance system in delivering LGSS objectives. Eg revenue targets for services and the LGSS total income / savings targets.*

*This complements and overlaps with Risk Management as below.*

### 3.5.3 Financial / Budget Management

LGSS financial targets (not just client targets) and also the coordination of budget management across shared services to ensure client targets are delivered, and agreed service standards maintained within 'LGSS bottom line' budget limits.

Key LGSS financial systems integrity where assurance derives for all clients and 3<sup>rd</sup>

party assurances required (eg NBC).

*Key assurances derive to clients that LGSS is effective at managing to budget limits (delivering to service standards) and provides fundamental assurance to sovereign partners that the shared service model delivers agreed financial efficiencies. EGs Assurances tested that:*

- *Reassure client (1) services are not undermined by the achievement of client (2) budget savings*
- *Collective Shared Service benefits are delivered across all sites rather than fragmented client / silo centric management.*
- *The NCC 114 situation provides an individual client tension / pressure that must be managed to provide sovereign partner shared agreement.*

*This area of work also provides an opportunity to examine and share successful best practice across all partners, eg duplicate payment prevention, effective debt collection etc that can inform improved client policy and practices etc.*

#### 3.5.4 Shared Service Assurances

There is a need and benefit from reviewing the shared services delivered to individual clients through a lense of shared service. Financial efficiency and service quality are only derived from the shared service ethos implemented across clients. Shared services should also be able to demonstrate the adoption of best practice to the benefit of all clients and provide benchmarking learning.

*A cycle of audits to review shared service workstreams would provide assurances that the potential tensions of client specific priorities are managed effectively to both (a) not undermine shared service benefits and (b) identify and maximise shared service opportunities.*

*Initial focus is likely to need to be on financial systems such as Accounts Payable and Accounts Receivable (given ERP risks) as they support effective financial management. However subsequent opportunities are evident from audits of other area eg Procurement and Commissioning.*

#### 3.5.5 IT Systems and Security

LGSS manages extensive IT systems and information for its clients and sovereign partners. Whilst the systems and information is owned by the relevant client the assurances to individual clients for their information, data etc and the IT operational

issues specific to each client do not provide the wider assurance of effective Information Governance by LGSS.

*At its most minimal this audit would collate the IT security assurance work for each client into a single, considered assurance report for LGSS JC. It is however considered more beneficial to audit some aspects of IT systems and security from a more holistic perspective including:*

- *Disaster recovery (eg mutual client resilience)*
- *GDPR policy consistency and compliance*
- *Agile working (eg systems that effectively support remote working across multiple sites, reducing travel costs etc)*

3.6 A notional resource of 150 days has been estimated for this work. It is also necessary to highlight recent concerns expressed by some client officers and councillors, including the NCC commissioners regarding the current absence of assurance re: LGSS governance and delivery of targets. An LGSS IA plan should provide a significant improvement in such assurance and provide a mechanism for LGSS to route client concerns via internal audit examination of that issue, including the existing support and scrutiny from client audit committees.

3.7 Given the above issues have not been separately audited in the past initial audit planning must err on the side of larger testing to provide assurances. It is expected that when sufficient assurance is established the resources needed to audit stable, reliable systems would diminish from 2020/21.

3.8 This is, of course, subject to the outcomes of the CIPFA review(s).

#### **4. RESOURCES**

4.1 The LGSS IA Service maintains approx. 45 FTE posts that delivers approx. 7,100 days audit plan work across 15 clients.

4.2 A summary of the audit plans approved by clients is set out in the table below

Client	18/19 Indicative Days
NCC	1,450
CCC	1,550
MKC	1,535
	4,535
NoCC	470

MKDP	30
LGSS	150
LGSS Law Ltd	85
ECDC	230
NBC	50
NPH	250
Welland consortia	1335
	7,135

Table 1 LGSS Audit client Audit Plans

- 4.3 As above the proposed 150 day LGSS plan represent just 2% of the client based plans and only 3% of the three LGSS sovereign partner plan total days.
- 4.4 With the introduction of ERP financial systems the scope to deliver efficiency across audits focussed on single systems with reliable controls becomes possible. However, during 2018/19 the new ERP system creates additional pressure to test and authenticate system governance individually across each client's operations. Best practice requires that enhanced testing to continue into the 2<sup>nd</sup> year of operation and then if found to be robust resources may be reduced in 2019/20. Therefore ERP creates additional pressure in 18-19 and 19-20 until sufficient evidence of stable / consistent control should then be evident.

## Internal Audit

### Regulation Summary

- 1) The core regulatory framework for Internal Audit can be summarised as (a) Accounts and Audit Regulations 2015 and (b) Public Sector Internal Audit Standards (2016).
- 2) The Accounts and Audit Regulations (2015) sets out that:

*A relevant authority must ensure that it has a sound system of internal control which—*

  - (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;*
  - (b) ensures that the financial and operational management of the authority is effective; and*
  - (c) includes effective arrangements for the management of risk.*

And that:

*A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*

*A relevant authority must, each financial year—*

  - (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and*
  - (b) prepare an annual governance statement*
- 3) The Public Sector Internal Audit Standards (PSIAS) revised 2016 include the need for risk-based plans to be developed for internal audit and to receive input from management and the 'Board' (usually discharged by the Council's Audit Committee).
- 4) The work of Internal Audit therefore derives directly from these responsibilities, including:

PSIAS : 2010 - *"The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals."*

PSIAS : 2450 – *"The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control."*

- 5) The LGSS Chief Internal Auditor performs the role of the Chief Audit Executive and ensures that internal audit resources are appropriate, sufficient and effectively deployed to achieve the internal audit plan.



# **Internal Audit of LGSS**

## **2018/20**



LGSS Internal Audit  
2018

## 1. BACKGROUND

### 1.1. The Accounts and Audit Regulations (2015) sets out that:

*A relevant authority must ensure that it has a sound system of internal control which—*  
*(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;*  
*(b) ensures that the financial and operational management of the authority is effective; and*  
*(c) includes effective arrangements for the management of risk.*

And that:

*A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*

*A relevant authority must, each financial year—*  
*(a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and*  
*(b) prepare an annual governance statement*

1.2. LGSS is a Local Authority Shared Service organisation with joint 'ownership' by Northamptonshire County Council, Cambridgeshire County Council and Milton Keynes Council managing services via delegated budgets. LGSS provides Internal Audit services to the above 3 Councils and a variety of customers. Delegated budgets remain subject to the legal provisions applicable to all its sovereign / owning Councils i.e. subject to the Accounts and Audit Regulations.

1.3. The Public Sector Internal Audit Standards (PSIAS) issued in April 2016 defines the service and professional standards for public sector internal audit services. These include the need for risk-based audit plans to be developed and to receive input from management and the 'Board' (usually discharged by a Council's Audit Committee) on those plans. For LGSS the Board functions would be discharged through both the Joint Committee and the individual Council Audit Committees.

### 1.4. Key, specific PSIAS provisions include:

PSIAS : 2010 - *"The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals."*

PSIAS : 2450 – *"The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual*

*internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control."*

- 1.5. The LGSS Chief Internal Auditor performs the role of the Chief Audit Executive and he/she ensures that internal audit resources are appropriate, sufficient and effectively deployed to achieve the Internal Audit Plan.
- 1.6. The Audit Plan must also consider the relevant Risk Register information and the LGSS current Risk Register data is set out at Annex A
- 1.7. The Control Assessment methodology used to form the required Audit Opinion is set out in full at Annex B. In summary it has three key elements:
  - 1) Assess and test the CONTROL ENVIRONMENT,
  - 2) Test COMPLIANCE with those control systems, and
  - 3) Assess the ORGANISATIONAL IMPACT of the area being audited.
- 1.8. In simple terms, to achieve the above every audit:
  - 1) Identifies / documents the agreed objectives of the audited system / service purpose
  - 2) Evaluates the control systems / governance arrangements to ensure they:
    - a. align to the delivery of the service purpose
    - b. measure performance effectively
    - c. mitigate the threats to achieving the service purpose
  - 3) Tests the adequacy of operation of controls to achieve the agreed objectives / service purpose.
- 1.9. Audit findings are reported to the relevant Manager / Service area, the relevant Finance Director and the LGSS Managing Director. Periodic summary reports will be issued to the LGSS informal and formal Management Board, the Joint Committee and Audit Committees (in respect of their individual Audit Plans).
- 1.10. An Annual Audit Opinion is then constructed based upon the years' work and formally reported as appropriate.

## **2. THE 2018/20 ANNUAL PLAN**

2.1. The Internal Audit Plan must be sufficiently flexible to enable assurance over current risk areas, as well as emerging risks, and those risks which are yet to be identified. The plan set out below:

- Identifies the Known Knowns to be audited eg Governance & Financial Systems
- Takes account of the Known Unknowns ie those new or emerging issues within a new organization eg Agresso implementation
- Can be flexible for the Unknown Unknowns that may arise during the year eg new partners, contracts etc.

2.2. Inevitably, the potential for risks and unknowns is increased during initial periods of change. To reflect these risks, the Audit Plan contains an estimate of resources that are evolving after MKC joined the LGSS family. These are expected to evolve (and reduce) over time as the maturity of control systems grows.

2.3. The Audit Plan reflects the wider public and private sector issues, recognising that the environment within which LGSS (and its owners and customers) operates, has changed considerably over the past few years with more focus on, for example, better assurance, safeguarding, austerity and transparency. The planned audit coverage is intended to ensure stakeholders receive a valuable assurance and that the audit service tangibly adds value to the organisation.

2.4. The Audit Plan is dynamic and designed to be flexible if new risks emerge. There are considerable synergies with the assurance provided through the delivery of the IA service to key clients. Progress against the LGSS plan will be monitored throughout the year and key issues (including any material matter within a Client's audit programme) will be reported to LGSS Management Board and the Joint Committee each quarter.

2.5. The table overleaf provides a summary of the IA Annual Plan spread across 2 years.

\*Timing (see table) is given as a proposal to undertake those audits within those quarters i.e.

18/Q4 denotes Jan/Feb/Mar of 2019

19/Q1 denotes Apr/May/Jun of 2019

19/Q2 denotes Jul/Aug/Sep of 2019

19/Q3 denotes Oct/Nov/Dec of 2019

19/Q4 denotes Jan/Feb/Mar of 2020

NB Whilst testing may be scheduled for 19/Q1 where that is proposed for 2018/19 audit it will test 2018/19 transactions across a sufficient sample to give an opinion on the full year. Given the historic nature of that testing some additional time is anticipated required.

Annual Audit Plan 2018/19				
Audit Area	2018/19		2019/20	
	Days	Timing*	Days	Timing*
Governance				
• Joint Committee roles and functions (inc R&B)	15	18/Q4	10	19/Q3
• Key Policies and Procedures	10	18/Q4	10	19/Q3
• Scheme of Delegation Adherence	15	18/Q4	10	19/Q3
Target Operating Model (Strategic Planning / Perf Mgmt / Risk Management / Outcomes)	10*	19/Q1	10	19/Q4
Medium-Term financial plan/Budget Mg'ment	15		15	
• Accounts Payable	5	19/Q1	5	19/Q4
• Accounts Receivable	10	19/Q1	5	19/Q4
• Debt Recovery	10	19/Q1	5	19/Q4
Shared Service Systems Integrity / Assurance:				
• Key Fin systems inc ERP systems eg Payroll	15	19/Q1	20	19/Q3&4
• Procurement / Commissioning	10	19/Q1	10	19/Q3
Risk Management	25	18/Q4	25	19/Q3
ICT Systems Security	25	19/Q1	25	19/Q4
Audit management and reporting	10	All	10	All
<b>TOTAL DAYS</b>	<b>175</b>		<b>160</b>	

\* This allocation may not be undertaken IF the CIPFA (and other reviews sufficiently address this issue). To date IA has not been involved in the scoping of said work nor its findings.

2.6. A more detailed outline of the audit areas is provided below:

- Governance

As at the time of this report (Nov 2018) the future LGSS operational model is unclear from various factors including the CIPFA reviews and the NCC unitary project. There is need to resolve those issues in order to audit against those specified requirements however if not

resolved quickly the audits must be completed with assessment against existing requirements.

A shared service operation requires separate and distinct management to deliver the shared service benefits. Its governance is therefore central to ensure the delivery of shared service operations and provides assurance to owners of those benefits.

Effective policies and procedures drive shared service culture and that risk appetite ensuring key control principles are captured and formally embedded. This is particularly important within LGSS as a Shared Service delivering to multiple Clients and Owners.

Compliance with an approved Scheme of Delegation (SoD) is a specific area for audit after MKC joined LGSS where it is essential the partners have a shared understanding of and there is a consistent compliance with:

- Decisions that are reserved for the Board / Joint Committee (submitted to and approved as appropriate)
- Key operational decisions are taken in accordance with approved SoD, and
- The SoD reflects the operational needs of LGSS and its services to support the delivery of LGSS's agreed, strategic objectives.

- Target Operating Model

This review provides assurance that policies and procedures translate into key, agreed, deliverable outcomes (usually articulated as Key Performance Indicators and/or Outcome Measures) defined within the LGSS strategic plans and SLA's etc.

Testing is undertaken on the systems that monitor and report KPIs etc to the Management Board, Joint Committee and individual clients as well as providing assurance regarding the accuracy of the information reported.

Also LGSS risk management is assessed specific to the LGSS operational models (as opposed to risks for Clients and Customers). The budget of this may prove optimistic as current suggests the LGSS risk register is only recently being developed and it is difficult to trace the golden thread from strategic plans to service performance.

- Medium Term financial planning (MTFP) / Budget Management

The need to have effective and robust financial management processes are essential to the strategic success of LGSS. Budget management for Clients is audited for client's budgets and this audit targets those issues where the LGSS provides greater 'flexibility' for its clients in financial management specific to LGSS.

Transactional testing on LGSS specific responsibilities (as distinct from delegated client authority). This is a minimal estimate to provide an initial analysis of the scope of LGSS specific responsibilities.

The volatility of client demand and resulting cost drivers / targets also needs assessment to provide sufficient confidence that shared service benefits are delivered.

- ICT Security

Most IT systems that LGSS operates are owned by Client Councils. Assurances are provided to Client Councils as part of their Audit Plans, however as a coordinated workstream across LGSS the operation of those controls needs to be assessed on a consolidated basis for LGSS Joint Committee.

This becomes more important as LGSS moves towards single / centralised systems operated by LGSS on behalf of multiple clients eg Agresso ERP, LGSS Email servers etc and the expansion of agile working across a wide geographical area.

Also the benefits of shared services that can provide efficiencies and resilience across multiple sites would provide assurance to clients.

### Risk Register

The LGSS corporate risk register is examined as a key source of intelligence to inform the Audit Plan (consistent with PSIAS requirements). The 9 strategic risks were considered and evaluated recently with 5 assessed as a 'Red' as shown below.

The risks within the register can be summarised as follows:

Risk Title	
47670	01. Impact of NCC's financial resilience on the delivery of the LGSS model
47996	02. The impact of the developing Northamptonshire unitary model on the LGSS organisation
47288	03. Complexity of the stakeholder environment results in poor relations
47246	04. Not being valued as an innovator and change agent
47284	05. Delivering economies of scale
47286	06. Becoming disjointed with our core councils
47308	07. The LGSS savings commitments are not delivered
47287	08. Not delivering and demonstrating value for money
47247	09. Organisational capacity, resilience & capability (people, systems and accommodation)

Risk Management is a continual process that should assess risks as they emerge although in practice this derives from formal periodic reviews eg quarterly. 2 issues are considered significant emerging risks with a need to assess and resolve quickly not wholly within LGSS sphere of control.

- (1) Paralysis of improvement derived from ongoing multiple reviews of LGSS and its operations
- (2) Operational resilience in the light of NCC closure and the impact on the shared service 'brand' derived from public criticism by LGSS owners of LGSS.

An emerging risk also appears evident where the LGSS service knowledge is not engaged in the choices for LGSS owners

Risk 1 represents an external 'environmental' factor needing to be monitored and LGSS is more reactive to those risk triggers.



Risks 2-9 are issues that directly influence the proposed Audit Plan. For example 4, 5 and 7 are outcomes from control / governance systems identified for audit in 2018-19. Put simply an audit of Performance Management systems will provide assurance (to LGSS management Team and Joint Committee) that key targets/ objectives are defined, agreed and systems give confidence that they will be delivered or variance highlighted promptly for corrective action to be taken.

More detailed analysis is available upon request

### Control Assessment Methodology

The required Audit Opinion for every audit is provided in 3 parts as below:

Control Environment Assurance	
Level	Definitions
<b>Substantial</b>	Minimal control weaknesses that present very low risk to the control environment
<b>Good</b>	Minor control weaknesses that present low risk to the control environment
<b>Moderate</b>	Control weaknesses that present a medium risk to the control environment
<b>Limited</b>	Significant weaknesses that present a high risk to the control environment
<b>No Assurance</b>	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment

Compliance Assurance	
Level	Definitions
<b>Substantial</b>	The control environment has substantially operated as intended although some minor errors have been detected.
<b>Good</b>	The control environment has largely operated as intended although errors have been detected
<b>Moderate</b>	The control environment has mainly operated as intended although errors have been detected.
<b>Limited</b>	The control environment has not operated as intended. significant errors have been detected.
<b>No Assurance</b>	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational Impact	
Level	Definitions
Major	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole
Moderate	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole
Minor	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.





**Updates to Schedule 2 of the Delegation and Joint Committee Agreement**

*To:* **LGSS Joint Committee**  
*Meeting Date:* **14<sup>th</sup> December 2018**  
*From:* **LGSS Finance Director**  
*Purpose:* **To update Schedule 2 to the Delegation and Joint Committee Agreement following recent changes in responsibilities and removal of services from LGSS.**

*Recommendation* **i) To approve updates to Schedule 2 of the Delegation and Joint Committee Agreement following recent changes in responsibilities**  
*:*

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## **1. BACKGROUND AND UPDATES REQUIRED**

- 1.1 Schedule 2 to the Delegation and Joint Committee agreement sets out the responsibilities delegated to the LGSS Joint Committee under the partnership agreement between Cambridgeshire County Council, Milton Keynes Council and Northamptonshire County Council.
- 1.2 A number of changes have taken place over recent months which require updating within Schedule 2. These include:
- The return of Professional Finance and Democratic Services to NCC;
  - The transfer of responsibility for oversight of LGSS Law functions from the LGSS Law committee to the LGSS Law Board; and
  - The transfer of responsibility for Revenues and Benefits functions from the LGSS Joint Committee to the new Revenues and Benefits Joint Committee.
- In addition, the return of s151 officers from LGSS to CCC and NCC requires updating in the Schedule.
- 1.3 Any changes arising from the current review of the LGSS operating model are not currently reflected and will require a further update in due course once future arrangements have been finalised.

## **2. UPDATED SCHEDULES**

- 2.1 A revised Schedule 2 reflecting the above changes is attached at Appendix 1. All changes are marked up for ease of reference.
- 2.2 Following approval of the Schedule the service level agreements for each of the core councils will also be updated to reflect these changes.

## **3. SIGNIFICANT IMPLICATIONS**

- 3.1 There are no resource, procurement, statutory or engagement implications from this paper which is focussed on updating Schedule 2 to the Delegation and Joint Committee agreement to reflect changes already agreed.

## **4. RECOMMENDATION**

- 4.1 Joint Committee are recommended to approve the changes to Schedule 2 of the Delegation and Joint Committee Agreement as set out at Schedule 1.







## **Schedule 2 The LGSS Joint Committee Scheme of Delegation - Shared Services and Delegated Functions**

### **1. The Shared Services**

- 1.1 Cambridgeshire County Council (CCC), Northamptonshire County Council (NCC) & Milton Keynes Council (MKC):
- Integrated Financial Services;
  - Internal Audit and Risk;
  - Information Systems and Communication Technology;
  - Procurement;
  - Insurance;
  - Human Resources;
  - Learning and Development;
  - HR Transactions and Payroll;
  - Financial Transactions – accounts payable, accounts receivable & financial assessments;
  - Enterprise Resource Planning (ERP) and business systems; and
  - Business Support Service to schools.
- 1.2 Cambridgeshire County Council and Northamptonshire County Council:
- Pensions - Administering Authority and Employer;
  - ~~Legal Services~~;
  - ~~Democratic Services~~
- 1.3 Cambridgeshire County Council and Milton Keynes Council:
- Finance Business Partners
- 1.4 Cambridgeshire County Council:
- Democratic Services
- ~~1.3 Milton Keynes Council:~~
- ~~• Revenues and Benefits.~~
- ~~1.4~~ 1.5 Client Authorities:
- See section 4.

### **2. Delegation of Functions and Responsibilities**

#### **General Principles**

- 2.1 The Councils each agree that the Shared Services listed above will be provided under the auspices of the Joint Committee (LGSS) which shall be responsible for the provision of the Shared Service under delegated authority from the Councils to the Joint Committee, which is set out below at Section 6.1 in respect of all of the Councils, at Section 6.2 in respect of CCC and NCC only, at Section 6.3 in respect of CCC only, at Section 6.4 in respect of NCC only and at Section 6.5 in respect of MKC only. These delegations are subject to the conditions, limitations and the specific reservations, set out below.
- 2.2 In order to facilitate the efficient and effective conduct of the Shared Services, the Joint Committee shall delegate certain functions and responsibilities to the LGSS Managing

Director and to the LGSS Service Directors. The LGSS Managing Director and the LGSS Service Directors, where they consider it necessary, may sub-delegate to officers within their respective service Directorates. Such delegations must be made in writing and must be available for inspection by the Monitoring Officers and Section 151 Officers of the Councils.

- 2.3 Where an Officer listed in this scheme of Delegation is absent for any period, the LGSS Managing Director may nominate in writing another officer to act in his/her place during his/her absence and shall make a record of all such nominations. Without prejudice to the generality of the above and to any specific delegation listed below, the officers listed in this section are authorised to exercise the following functions of the Council, the Leader and the Head of Paid Service, which relate to their area of responsibility.

#### **Conditions Relating to the Exercise of Delegated Authority**

- 2.4 The exercise of functions delegated to officers under this scheme must comply with:
- i) any legal requirement or restriction
  - ii) the relevant Council's Constitution
  - iii) the relevant Council's policy framework and any other plans and strategies approved by the relevant Cabinet or Full Council/relevant Committee
  - iv) the relevant in-year budget
  - v) the relevant officers code of conduct
  - vi) relevant Procurement standing orders and financial regulations
  - vii) all other relevant policies, procedures, protocols and provisions.

#### **Limitations to the Exercise of Delegated Powers**

- 2.5 Officers in the exercise of functions delegated by this scheme may not:
- i) make Key Decisions as defined in the relevant Council's Constitution, unless where specifically provided for by that Council's constitution;
  - ii) change or contravene policies or strategies approved by the Council/Committee (in the case of CCC) or the Council/Cabinet (in the case of MKC or NCC) in the absence of specific delegated authority to do so;
  - iii) create or approve new policies or strategies, in the absence of specific delegated authority to do so;
  - iv) take decisions to withdraw public services, in the absence of specific delegated authority to do so;
  - v) take decisions to significantly modify public services without consulting the appropriate Cabinet Member (in the case of MKC and NCC) or Full Council/Committee Chairman/woman (in the case of CCC) before exercising the delegated power.

#### **Consultation**

- 2.6 Where an officer takes a decision under delegated authority on a matter which has significant policy, service or operational implications or is known to be politically sensitive, the officer shall first consult with the appropriate Cabinet Member and Section 151 Officer (MKC or NCC) or Committee Chairman/woman (or in his/her absence the Vice-Chairman/woman) and Section 151 Officer (CCC) before exercising the delegated powers.

When exercising delegated powers, officers shall ensure that local Members are kept informed of matters affecting their divisions or wards.

### 3. Specific Delegations

The delegations are listed as follows:

- Section 6.1 – All authorities (CCC, NCC and MKC);
- Section 6.2 – CCC and NCC only;
- Section 6.3 – CCC only;
- Section 6.4 – NCC only; ~~and~~
- ~~Section 6.5 – MKC only;~~
- ~~Section 6.6 Monitoring Officer (CCC only).~~

and in the following order:

- Not delegated;
- Delegated to Chief Executives;
- Delegated to all LGSS Directors;
- Delegated to LGSS Managing Director;
- Delegated to Specific LGSS Directors; ~~and~~
- ~~Delegated to Monitoring Officer (CCC only)~~

### 4. Powers and Duties delegated by client authorities

- 4.1 The LGSS Joint Committee shall be responsible for the provision of shared services under delegated authority from the councils concerned to the Joint Committee. The nature of services provided and the conditions, limitations and the specific reservations which apply are set out below. Where a council has delegated authority to the LGSS Joint Committee, those powers and duties shall be set out either generally or specifically in that council's constitution or scheme of delegation.
- 4.2 Under the auspices of the Partnership and Delegation Agreements in place between the client authorities and the Delegation and Joint Committee Agreement between Cambridgeshire County Council, Northamptonshire County Council and Milton Keynes Council (LGSS) and by virtue of Sections 101, 112 and 113 of the Local Government Act

1972, officers of the aforementioned authorities are authorised to undertake any and all of the specified functions on behalf of the client authorities.

## 5. Financial Limitations

The following table sets out the financial limits of powers delegated to the LGSS Joint Committee and directors:

Limits of powers delegated to the LGSS Joint Committee	£
Key decision threshold	500k (CCC, NCC) 100k (MKC)
Issuing orders for goods and services	Unlimited (CCC), 500k (NCC, MKC)
Capital virement	250k (CCC), 100k (NCC), N/A (MKC)
Revenue virement	160k (CCC), 100k (NCC), N/A (MKC)*
Loans to people or organisations	5k (CCC), N/A (NCC)** , N/A (MKC)**
Loans and expenditure of client funds	300k (CCC), N/A (NCC), N/A (MKC)
Property transactions, capital value	500k (CCC), 100k (NCC), N/A (MKC)
Property transactions, Revenue value	150k (CCC), 100k (CCC), N/A (MKC)
Debt write off	25k (CCC), N/A (NCC), 20k (MKC)

**\* Revenue Virements reserved to Chief Finance Officer at MKC, in accordance with the Financial Scheme of Delegation**

**\*\*Power to make loans reserved to Chief Finance Officer at NCC and MKC**

Exceptions: decisions relating to the management of services and resources where the matter is likely to lead to controversy or have an impact beyond that considered usual for a managerial decision. These decisions must be referred back to the Cabinet (MKC, NCC) or the relevant Service Committee (CCC).

## 6.1 Delegations from all authorities

Delegation to LGSS Joint Committee - General	Delegation to Officer	Condition
To have overall responsibility for the provision, to the Councils, of the Shared Services.	None	In accordance with all relevant financial, accounting, constitutional and legal requirements
To consider and approve the annual report for LGSS.	None	
To consider and approve the annual service plan for each Shared Service and make recommendations to the Councils as to the provision of financial and other resources.	None	
To instigate and undertake the selection, recruitment and appointment to the post of LGSS Managing Director.	None	In accordance with any protocol agreed by the Joint Committee and in consultation with the LGSS Director responsible for Human Resources or their nominee and the Chief Executives of the Partner Authorities.

<b>Delegation to LGSS Joint Committee - General</b>	<b>Delegation to Officer</b>	<b>Condition</b>
<p>In respect of the LGSS Managing Director to:</p> <p>a) instigate disciplinary and capability investigations and proceedings and to take action up to and including dismissal, and</p> <p>b) implement all other relevant HR policies and exercise any associated decision-making powers.</p>	Chief Executive	Where the authority concerned is the employing authority for LGSS Managing Director and in consultation with the LGSS Director responsible for Human Resources or their nominee and in accordance with the relevant councils HR policies and procedures.

<b>Delegation to LGSS Joint Committee - General</b>	<b>Delegation to Officer</b>	<b>Condition</b>
LGSS Directors have responsibility for the operational management of the Shared Services, including authority to determine the number, grade, title and nature of staff deployed and all other terms and conditions, in addition to ensuring their proper management within the remit of those services for which they are allocated responsibility by the LGSS Managing Director.	<p>LGSS Managing Director for all Shared Services.</p> <p>All LGSS Directors in respect of the services within their remit.</p>	Subject to budget and in accordance with the relevant Council's policies and procedures and in consultation with the LGSS Director responsible for Human Resources or their nominee and in accordance with the relevant Council's HR policies and procedures.
To arrange for and undertake the recruitment and appoint of all relevant employees with the exception of the LGSS Managing Director and LGSS Service Directors.	LGSS Managing Director and/or LGSS Directors.	In consultation with the LGSS Director responsible for Human Resources or their nominee and in accordance with the relevant Council's HR policies and procedures.
<p>In respect of Relevant Employees other than the LGSS Managing Director and LGSS Directors, to:</p> <p>a) instigate disciplinary and capability investigations and proceedings and to take action up to and including dismissal, and</p> <p>b) implement all other relevant HR policies and exercise any associated decision-making powers.</p>	LGSS Managing Director and LGSS Directors (in relation to posts within their Directorate).	In consultation with the LGSS Director responsible for Human Resources or their nominee and in accordance with the relevant Council's HR policies and procedures.
To invite tenders and to enter into contracts In respect of goods or services directly relating to the provision of the Shared Services.	LGSS Managing Director and/or LGSS Directors.	In accordance with relevant procurement standing orders and any financial limits in place.

<b>Delegation to LGSS Joint Committee - General</b>	<b>Delegation to Officer</b>	<b>Condition</b>
To arrange for and undertake the recruitment and appoint to, the posts of LGSS Directors.	LGSS Managing Director	In consultation with the LGSS Joint Committee Chair and Vice Chairperson(s), and with the LGSS Director responsible for Human Resources or their nominee and in accordance with the relevant Council's HR policies and procedures.
In respect of the LGSS Directors, to a) instigate disciplinary and capability investigations and proceedings and to take action up to and including dismissal and appeal, and b) implement all other relevant HR policies and exercise any associated decision-making powers.	LGSS Managing Director	In consultation with the LGSS Director responsible for Human Resources or their nominee and in accordance with the relevant Council's HR policies and procedures and subject to the provisions of the Local Authority (Standing Orders) Regulations.

<b>Delegation to LGSS Joint Committee – Finance Services</b>	<b>Delegation to Officer</b>	<b>Condition</b>
Authority for management of Finance Services, <u>excluding Section 151 responsibilities and excluding Professional Finance Business Partners for NCC</u>	LGSS Director responsible for Finance	Subject to budget and in accordance with the relevant Council's policies and procedures.
To determine and implement arrangements for Treasury Management in accordance with the (CIPFA) Treasury Management in the Public Services Code of Practice.	LGSS Director responsible for Finance	
To be responsible for operating banking arrangements including determining arrangements for the signing and security of cheques and the operation of the BACS, CHAPS and Direct Debit processes.	LGSS Director responsible for Finance	
To undertake investigations and reports, where appropriate, in support of Anti-Fraud Policy and financial governance arrangements.	LGSS Director responsible for Finance	
Authority for management of Finance Operations	LGSS Director responsible for Finance Operations	Subject to budget and in accordance with the relevant Council's policies and procedures.

The Delegated functions relating to Finance do not include the following Reserved Functions:

- approving financial strategies and plans on behalf of the councils;
- approval of corporate plans on behalf of the councils;
- approving schemes for the use of (non-LGSS) earmarked reserves or contingency provision;
- approval of the annual statement of accounts on behalf of the councils;
- approval of renewal terms for insurances; and
- approval of Financial Procedure Rules, Standing Orders and Procedures.

<b>Delegation to LGSS Joint Committee – Internal Audit and Risk Management</b>	<b>Delegation to Officer</b>	<b>Condition</b>
Authority for management of Internal Audit and Risk Management Services.	LGSS Director responsible for Internal Audit and Risk	In accordance with the Audit and Accounts Regulations 2003 or any successor legislation. Subject to budget and in accordance with the relevant Council's policies and procedures.
To maintain an adequate and effective system of internal audit of the accounting records and control systems in accordance with proper internal audit practices and be authorised to visit all establishments and have access to all documents, other records, computer systems and property and to require relevant information or explanation from any officer in connection with the above.	LGSS Director responsible for Internal Audit and Risk	

### **Specific Reservations**

The Delegated Functions relating to Internal Audit and Risk Management do not include the following Reserved Functions:

- Approval of each authority's Annual Governance Statement

<b>Delegation to LGSS Joint Committee – Insurance</b>	<b>Delegation to Officer</b>	<b>Condition</b>
Authority for management of Insurance Services.	LGSS Director responsible for Insurance	Subject to budget and in accordance with the relevant Council's policies and procedures and any relevant legislation.

### **Specific Reservations**

The Delegated Functions relating to Insurance do not include the following Reserved Functions:

- Policy and strategy decisions on Insurance and decisions which fall outside of the principles of decision making set out in Article 12 (CCC) and Article 14 (MKC and NCC) of the relevant authority's constitution.



<b>Delegation to LGSS Joint Committee - IT</b>	<b>Delegation to Officer</b>	<b>Condition</b>
Authority for management of IT Services.	LGSS Director responsible for IT	Subject to budget and in accordance with the relevant Council's policies and procedures.
Strategic and operational accountabilities for management of Information Technology development and systems administration.	LGSS Director responsible for IT	
Responsibility for the security of information technology and infrastructure.	LGSS Director responsible for IT	

### **Specific Reservations**

The Delegated Functions relating to IT do not include the following Reserved Function:

- Approval of IT Strategy and Policies where these are under the remit of the Cabinet (MKC and NCC) or Service Committee concerned (CCC).

<b>Delegation to LGSS Joint Committee - Procurement</b>	<b>Delegation to Officer</b>	<b>Condition</b>
Authority for management of procurement services.	LGSS Director responsible for Procurement	Subject to budget and in accordance with the relevant Council's policies and procedures.

### **Specific Reservations**

The Delegated Functions relating to Procurement do not include the following Reserved Function:

- approval of the contract procedure rules and schemes of delegation relating to any Council's procurement activity.

<b>Delegation to LGSS Joint Committee - Human Resources, Learning and Development and Transactional Services</b>	<b>Delegation to Officer</b>	<b>Condition</b>
Authority for management of Human Resources, Learning and Development, Payroll and HR Transactions	LGSS Director responsible for Human Resources, Learning and Development, Payroll and HR Transactions	Subject to budget and in accordance with the relevant Council's policies and procedures.
To co-ordinate the Council's response to national consultations on terms and conditions of employment, in consultation with the relevant Cabinet Member or Committee Chairman/woman (or in his/her absence the Vice-Chairman/woman)	LGSS Director responsible for Human Resources	
To implement national and local pay awards/ changes to terms and conditions of employment for employees.	LGSS Director responsible for Human Resources	
To negotiate recognition agreements and local agreements with the trade unions on behalf of the councils, in consultation with the relevant Cabinet Member or Committee Chairman/woman (or in his/her absence the Vice-Chairman/woman)	LGSS Director responsible for Human Resources	
To consult and negotiate agreements and local agreements with the trade unions on behalf of all 3 shareholding councils through the LGSS Joint Consultation Forum for all staff working for services under the remit of the LGSS Joint Committee. Full delegation to consult and negotiate on changes to local agreements, protocols, changes to LGSS structures and roles across all LGSS employees irrespective of which their employing council is. In the event of a dispute this would be referred to the LGSS Joint Committee. Any proposed changes to terms and conditions of employment affecting all LGSS staff would be routed back to each Council's local consultation forums	LGSS Director responsible for Human Resources	
To co-ordinate the Council's response to retention/recruitment problems within the agreed financial and policy framework, in consultation with the relevant Cabinet Member or Committee Chairman/woman (or in his/her absence the Vice-Chairman/woman)	LGSS Director responsible for Human Resources	

To advise the Chief Executive on the Council's response to any industrial action affecting Council services, in consultation with the relevant Cabinet Member or Committee Chairman/woman (or in his/her absence the Vice-Chairman/woman)), so that he/she can determine the Council's response.	LGSS Director responsible for Human Resources	
To mediate on individual cases or collective disputes to attempt to resolve issues before they are referred to members either at appeal or via the collective disputes procedure	LGSS Director responsible for Human Resources	
To implement national and local pay awards and increase payments under the Pension Increase Acts.	LGSS Director responsible for Human Resources, Learning and Development, Payroll and HR Transactions	

### Specific Reservations

The Delegated Functions relating to Human Resources do not include the following Reserved Functions:

- appointment of Officers other than Relevant Employees
- decision making on disciplinary, grievance, dismissal and appeals against dismissal, relating to Officers other than Relevant Employees
- decision making on disciplinary, grievance, dismissal and appeals against dismissal for the Head of Paid Service and Chief Officers of the Councils.

## 6.2 Delegations from CCC and NCC only

Delegation to LGSS Joint Committee - Pensions	Delegation to Officer	Condition
Responsibility for the operations management of the shared services within the remit of Pension Service (LGPS only) and in accordance with the requirements of the Pension Fund Committee (CCC) and Pension Committee (NCC) and the Investment Sub-Committee (CCC/NCC), including authority to determine the number, grade and nature of staff deployed and all other terms and conditions, the collection of contributions, payment of benefits and investment of assets in addition to ensuring their proper management.	LGSS Director responsible for Pensions	Subject to budget and in accordance with the relevant Council's policies and procedures and in consultation with the LGSS Director responsible for Pensions or their nominee.

<b>Delegation to LGSS Joint Committee—Legal Services</b>	<b>Delegation to Officer</b>	<b>Condition</b>
Authority for management of Legal Services.	LGSS Director responsible for LGSS Law	Subject to budget and in accordance with the relevant Council's policies and procedures.
Obtaining information or serving statutory notices to ascertain the legal interest of any person in land.	LGSS Director responsible for LGSS Law	
To authorise the institution, defence, withdrawal, compromise or any other action relating to claims or legal proceedings at common law or under any enactment, statutory instrument, order or bylaw conferring functions upon the authorities or in respect of functions undertaken by the authorities.	LGSS Director responsible for LGSS Law	
To authorise officers to prosecute or defend or appear in any legal proceedings by virtue of the provisions of Section 223 of the Local Government Act 1972.	LGSS Director responsible for LGSS Law	
To affix the common seal to all documents necessary to bring into effect decisions of the Councils or any Committee, Sub-Committee or officer in pursuance of powers delegated by or on behalf of the Council.	LGSS Director responsible for LGSS Law	

<b>Delegation to LGSS Joint Committee—Democratic &amp; Members' Services</b>	<b>Delegation to Officer</b>	<b>Condition</b>
<del>Authority for management of Democratic &amp; Members' Services.</del>	<del>LGSS Director responsible for Democratic Services &amp; Members' Services</del>	<del>Subject to budget and in accordance with the relevant Council's policies and procedures.</del>

- ~~Reservation on changes to the constitution and other matters which must be approved by Cabinet/ Council~~

### 6.3 Delegations from CCC only

<del>Delegation to JC from CCC – Legal Services</del>	<del>Delegation to Officer</del>	<del>Condition</del>
<del>To make applications for the grant of Letters of Administration for the use and benefit of children in the care of CCC.</del>	<del>LGSS Director responsible for LGSS Law</del>	
<del>To determine whether an application for planning permission is required for CCC Matters (Minerals and Waste); and to determine whether planning permission is required in respect of development to be carried out by CCC.</del>	<del>LGSS Director responsible for LGSS Law</del>	

<u>Delegation to LGSS Joint Committee – Democratic &amp; Members’ Services</u>	<u>Delegation to Officer</u>	<u>Condition</u>
<u>Authority for management of Democratic &amp; Members’ Services.</u>	<u>LGSS Director responsible for Democratic Services &amp; Members’ Services</u>	<u>Subject to budget and in accordance with the relevant Council's policies and procedures.</u>

- Reservation on changes to the constitution and other matters which must be approved by Cabinet/ Council

## ~~6.4 Delegations from NCC only~~

<b>Delegation to JC from NCC – Legal Services</b>	<b>Delegation to Officer</b>	<b>Condition</b>
<del>Confirming orders if no objections are received to proposals for the stopping up or diversion of public footpaths and bridleways to enable development to take place following the granting of planning permission.</del>	LGSS Director responsible for LGSS Law	
<del>Affixing NCC's seal to agreements where developers or landowners propose to provide or make contributions to the provision of education or other facilities required as a result of the proposed development.</del>	LGSS Director responsible for LGSS Law	
<del>Determining appeals by firefighters.</del>	LGSS Director responsible for LGSS Law	
<del>Acting as the Appointed Person under the Local Government Pension Scheme Regulations 1997.</del>	LGSS Director responsible for LGSS Law	
<del>Discharging the Council's functions under the Data Protection Act 1998, Freedom of Information Act 2000 and regulations made thereunder and under the Environmental Information Regulations 2004 and under all associated legislation</del>	LGSS Director responsible for LGSS Law	
<del>Power to authorise the instigation of a formal complaint or similar, with regards to any individual or organisation to a professional body.</del>	LGSS Director responsible for LGSS Law	
<del>To make representations in the name of the Council in the interests of the inhabitants of Northamptonshire at any public inquiry held by or on behalf of any minister or public body under any enactment.</del>	LGSS Director responsible for LGSS Law	

<p>Power, on behalf of the Council:</p> <p><del>(i) To prepare all contracts, leases and agreements affecting NCC land or property and in any case where the LGSS Director responsible for LGSS Law considers it necessary a formal contract for the supply of goods and materials, the provision of services or the execution of works;</del></p> <p><del>(ii) To enter into any agreement or deed granting any wayleave or easement or similar right over or appurtenant to any property of NCC;</del></p> <p><del>(iii) To attest the affixing of NCC's seal in circumstances where this is required;</del></p> <p><del>(iv) To approve the form of agreements under hand relating to matters of ordinary administration;</del></p> <p><del>(v) To enter into all legal documents other than those under seal and those to which the above item (iv) bullet point applies.</del></p>	<p>LGSS Director responsible for LGSS Law</p>	
<p><del>Instituting and conducting on behalf of NCC proceedings for offences under the provisions of the Safety of Sports Grounds Act 1975 in consultation with the Chief Fire Officer.</del></p>	<p>LGSS Director responsible for LGSS Law</p>	
<p><del>Conveying to the appropriate trustees the sites and buildings of any voluntary school.</del></p>	<p>LGSS Director responsible for LGSS Law</p>	
<p><del>In consultation with the Director for Adult Social Services, recovering charges due to the Council under Part III of the National Assistance Act 1948 from a person in residential accommodation or third parties liable for the charges under the Health and Social Security Adjudications Act 1983 and to create a charge on the land of the resident pursuant to the last mentioned Act and to enter into or discharge any Agreement or Deed with the resident or an interested third party relating to the recovery of the charges.</del></p>	<p>LGSS Director responsible for LGSS Law</p>	
<p><del>In consultation with the Director for Adult Social Services, giving a discharge or postponement of any Legal Charge in NCC's favour on property the subject of a grant for adaptation works under the Chronically Sick and Disabled Persons Act 1970.</del></p>	<p>LGSS Director responsible for LGSS Law</p>	
<p><del>Determining applications for NCC development of land or buildings under The Town and Country Planning General Regulations 1992. Any application to which the Director considers objections should be raised to be referred to the Development Control Committee for determination.</del></p>	<p>LGSS Director responsible for LGSS Law</p>	



Carrying out the Council's powers and duties concerning the giving of directions to persons residing unlawfully in vehicles on land without consent to remove their vehicles on pain of prosecution and authority to enter into arrangements with neighbouring local authorities under Section 101 of the Local Government Act 1972, in this respect when such action is considered to be expedient.	LGSS Director responsible for LGSS Law	
Agreeing appointments to the Northamptonshire Valuation Tribunal on behalf of the Council.	LGSS Director responsible for LGSS Law	
Power to execute transfers of land and other property and any documents ancillary to the transfer of staff where those documents are required to be made under the following enactments: The School Standards and Framework Act 1998, The Education Act 2002 and The Academies Act 2010.	LGSS Director responsible for LGSS Law	
Power to affix the Council's seal to any document necessary as a result of a scheme made under Schedule 2 of the Courts Act 2003 for the transfer of property used by Magistrates Courts	LGSS Director responsible for LGSS Law	

## **~~6.5 — Delegations from Milton Keynes Council Only~~**

<del>Delegation to JC from MKC — Revenues and Benefits Services</del>	<del>Delegation to Officer</del>	<del>Condition</del>
<del>Authority for management of Revenues and Benefits Services.</del>	<del>LGSS Director responsible for Revenues and Benefits</del>	<del>Subject to the Council's policies and procedures</del>

### **~~Specific Reservations~~**

~~The Delegated Functions relating to Revenues and Benefits from Milton Keynes Council do not include the following Reserved Function:~~

- ~~• The approval of the Council Tax base, Business rates baseline, Local Welfare Reform Policy and Local Council Tax reduction Policy.~~

## **~~6.6 — Monitoring Officer (CCC Only)~~**

~~Each authority is responsible for assigning the roles of Monitoring Officer to a specific posts within their structures. This role may be designated to LGSS officers but this need not be the case. For this reason, the powers and duties associated with this roles have been separated from those~~

allocated to LGSS Officer. The posts to which this roles is designated is set out in each authority's articles.

#### **Monitoring Officer—Cambridgeshire County Council**

<b>Power or Duty</b>	<b>Delegation to Officer</b>	<b>Condition</b>
<del>To make such amendments to the CCC Constitution and related Documents, as may from time to time become necessary to reflect and take account of changes in legislation, guidance, Council Policy, decisions of the Council and any drafting changes or improvements. This shall not include any changes of substance.</del>	Monitoring Officer (CCC)	In consultation with Group Leaders. Not to be exercised if any Group Leader objects to the proposed change.
<del>To act as the Proper Officer for the purposes of the Local Government Act 2000 and regulations made there under, except where legislation or the Scheme of Delegation names another officer.</del>	Monitoring Officer (CCC)	
<del>In cases of dispute, to decide upon a Member's "need to know".</del>	Monitoring Officer (CCC)	
<del>To agree procedures for the conduct of all appeals heard by the CCC Service Appeals Sub-Committee.</del>	Monitoring Officer (CCC)	
<del>To agree procedures for the conduct of CCC Education Admission and Exclusion Appeals and the selection and appointment of members to CCC appeals panels.</del>	Monitoring Officer (CCC)	

Northamptonshire County Council and Milton Keynes Council have not delegated any Monitoring Officer powers to any LGSS Officer.

