

AUDIT AND ACCOUNTS COMMITTEE



Date: Thursday, 24 January 2019

Democratic and Members' Services

Fiona McMillan
Monitoring Officer

14:00hr

Shire Hall
Castle Hill
Cambridge
CB3 0AP

**Kreis Viersen Room
Shire Hall, Castle Hill, Cambridge, CB3 0AP**

AGENDA

Open to Public and Press

- | | | |
|-----------|---|-----------------|
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| | <i>Guidance on declaring interests is available at</i> | |
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14.	Date of Next Meeting 28th March 2019	

The Audit and Accounts Committee comprises the following members:

Councillor Mike Shellens (Chairman) Councillor Terence Rogers (Vice-Chairman)

Councillor Peter Hudson Councillor Noel Kavanagh Councillor Mac McGuire Councillor David Wells and Councillor John Williams

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

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AUDIT AND ACCOUNTS COMMITTEE: MINUTES

Date: Thursday, 22nd November 2018

Time: 2.00pm – 5.00pm

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present: Councillors: P Hudson, M McGuire, M Shellens, (Chairman) and T Rogers (Vice Chairman)

Apologies: Councillors N Kavanagh, D Wells and J Williams

129. DECLARATIONS OF INTEREST

None.

130. MINUTES AND ACTION LOG

The minutes of the meetings held on 20th September and 31st October 2018 were agreed as a correct record and signed by the Chairman.

Members noted the Action Log.

In respect of actions from the 31st October meeting while there was an update report on the agenda the Chairman highlighted as a reminder that:

131. PETITION AND PUBLIC QUESTIONS

No Petitions were received.

A number of statements raising further issues on Community Transport had been received in advance of the meeting from the Chairman and Members of the Cambridgeshire Bus, Coach and Taxi Association (CBCTA), Dave Humphreys and Donna Allsop. The Chairman of the Committee had directed that the Committee Members should receive the statements as background information in advance of the meeting and that any issues that required a response, would be provided in writing within 10 working days of the meeting

Action: Chief Internal Auditor / Assistant Director Culture and Community Services

Reference was made to information updates sent the previous day by Mike Mason to the Chief Executive and to Members of the Committee in relation to his objections to the last two sets of Accounts, including the appointment of the consultants V4 Services Limited. The relevant officers would be looking at them and they would either be taken into account as part of the final report from BDO, the External Auditors dealing with the objections, or officers would

write to him outside of the meeting. **Action: C Malyon to liaise with BDO regarding providing them with the relevant documents.**

132. COMMUNITY TRANSPORT ACTION PLAN

This report provided the Committee with an update on progress with the Community Transport Action Plan following the previous update to the special Committee meeting held on 31st October 2018. At that meeting of the 66 actions, 46 had been marked as completed with the current update indicating that a further seven had now been completed (80%). Of the 20 actions not completed at the time of the previous meeting, four were ongoing with no expected end date with nine remaining in progress.

In discussion about the appendix showing the progress on those that had still been outstanding issues raised / highlighted included:

Action 40 – ‘external officer to investigate where the issues with the Freedom of Information requests originated’ and Action 41 Chief Executive to share Report with Audit and Accounts Committee - this report was still only in draft form so was unable to be shared at the current meeting but would come forward as part of a further update report to the January Meeting. **Action: Democratic Services add to agenda plan in name of Internal Audit.**

The Chairman asked that he be provided with the draft report as soon as possible. Action: Mairead Claydon

On the review of Community Transport membership, Officers had been reviewing the best practice and eligibility criteria undertaken by other authorities, in order to draw up criteria. These included being a resident of the area, having a demonstrable disability and having no access to public transport. Recommendations would be presented to the Economy and Environment Committee and there would be consultation. It was highlighted that the thorough review of all members requested by the Committee including when they renewed their membership and when they joined, might result in officer capacity issues. Once the criteria were adopted, officers would work with FACT / HACT to ensure that all their members satisfied the revised criteria.

One Member queried how geographical eligibility would be applied, as this could be discriminatory if members wishing to travel across district boundaries were refused, highlighting that South Cambridgeshire did not have a Community Transport provider and the whole of the County was not covered by Dial-a-Ride. It was explained that previously Members had agreed to four geographical areas for community transport and the grant conditions were therefore already geographically based. Where there was not a Dial-a-Ride Service, community transport would be provided by other means, such as taxi-card and community card schemes. Nevertheless, Councillor McGuire asked that his concerns should be brought to the attention of the Chairman

and Vice Chairman of Economic and Environment Committee. **Action: Assistant Director Culture and Community Services**

The Chairman asked when it would be sensible to have a report on the consequences of recommendations on membership. On the basis that implementation was likely to be March 2019 **a report should be received a year after that (March 2020) Action: Democratic Services to add to agenda plan.**

The Chairman expressed his concern on item 24, the second PKF report and the length of time taken for producing the draft report on the issue. The Chief Internal Auditor indicated that he would ensure his officers worked with both PKF and the Chairman and Vice Chairman to ensure the timetable of the next meeting would be met. **Action: Democratic Services to timetable for the January meeting.**

Action 44 – CCC to check that O or taxi licences are in place for commercial providers – The Chairman asked for an update. This was currently in progress with no failures as yet having been identified and an improvement noticed in recent weeks regarding drivers ensuring licences were displayed.

It was resolved:

To note the report and that there should be a further update for the January meeting.

MEETINGS DATES DISCUSSION

Before commencing with the next item, the Vice Chairman drew attention to

the large number of reports included on the current agenda. Due to other Committee commitments, he would have preferred two meetings of this Committee to do allow sufficient time for reading all the reports and asked that where it was known there would be a heavy agenda, this could be looked into for the future. There was also a suggestion made by another Member that the Committees should move to a morning slot to allow it to carry on to the afternoon if required. Democratic Services explained that the meetings programme for 2019-20 had already been agreed by Group Leaders and therefore the current scheduled meetings slot could not now be changed at this late stage, for both the current and the next municipal year. Democratic Services also pointed out that as the instruction from Group Leaders was that main committees only met on Tuesdays and Thursdays and due to the number of committees was already heavily congested, it would not be possible to have committees on these days lasting all day as the limited committee rooms available (KV Room and Room 128) were all booked for other service committees.

The Chairman asked that Democratic Services look further at the practicalities of the suggestions made when drawing up future years meetings programmes. **Action**

133. USE OF CONSULTANTS

At the request of the Chief Executive, Internal Audit had carried out a review of the use of consultants at Cambridgeshire County Council (provided as Appendix 1 to the report) including the procurement arrangements relating to the appointment of a specific consultancy agency, V4 Services Ltd(V4) (Appendix 2 to the report).

Internal Audit's findings identified satisfactory assurance over the system in place to govern the procurement and management of consultants but only limited assurance over compliance with the system. They also identified a lack of central oversight of consultancy expenditure, further hampered by the difficulty of identifying consultancy expenditure on the Council's financial systems.

In terms of the appointment of the consultants V4, this followed from the appointment of Gillian Beasley (GB) as joint Chief Executive of Cambridgeshire County Council and Peterborough City Council in October 2015 and the need to respond to the financial and other challenges facing the Council. The initial review she had undertaken identified a number of areas for improvement and transformation requiring rapid action (as listed in paragraph 2.1 of the report) to avoid even more substantial service cuts.

Given the level of urgency to deliver outcomes and the lack of expertise internally within the Council, the Consultants V4 who had previously supported Peterborough City Council in their culture change programme, were initially engaged under an exemption in December 2016 (as detailed in Appendix 2 of the report). Having commenced their review, it was found that the action required in some areas was higher than originally anticipated, as well as additional areas requiring attention. In May 2017, Strategic Management Team (SMT) identified the need to bring in a managed service provider for consultancy services to give the organisation access to a wide supply chain of transformation expertise. Whilst waiting for procurement through the new MSP, the expenditure on V4 exceeded the Council's permitted exemption thresholds.

In introducing the report, the Chief Finance Officer apologised unreservedly for this breach which had been reported to Council and General Purposes Committee with the acceptance that officers had been poor in respect of the commissioning arrangements in this particular case, whilst not apologising for the improved outcomes that had been achieved. From August 2017 all external consultancy work – including V4 - was procured appropriately through this new more robust procurement framework.

As a result of the findings of the Internal Audit review, a number of actions to improve systems of governance for the procurement and management of

consultants were identified and agreed as detailed in the Use of Consultants Report, at Appendix 1 to the report. This included a draft revised Consultants & Interims Policy (provided as an appendix to the Use of Consultants report), which was under review with colleagues in Human Resources and Procurement. **Internal Audit indicated that they would be conducting a follow-up review of compliance with this policy in the first quarter of 2019/20. (April-March) Action: Mairead Claydon**

In discussion:

- The Chairman, while expressing his concern at the serial malfunction of the procurement process at the highest levels, praised the officers for their transparency in bringing the report to the Committee. **He requested that he should be provided with details of Strategic Management Team's involvement (e.g. relevant notes of their meetings making reference to V4's appointment, any extensions and notification of the breeches of the procurement procedures so that he could see the process that had been taken) Action: Chief Finance Officer.**
- The Chief Finance Officer responding to a question on LGSS involvement, explained that LGSS provided a procurement service but that within the limited resources envelope provided, this was only sufficient to provide advice and act as an advertising service for contracts.
- The Chairman queried the sample size used (seven) and whether the lower number used was appropriate when the original aim had been for 10.
- With reference to the sum of £35m spent on "Other Hired Contract Services" subjective accounting code set out in the table in the first sections of the audit report the Committee queried whether this all related to consultancy services and a query on whether it was all consultancy services. Officers explained that the code did contain some consultancy work but mostly consisted of costs related to other types of hired service (examples being provided in the report). It was therefore currently not possible to extract only the consultancy services element.
- Page 48 - Lack of Records relating to Consultancy Expenditure – It was suggested that the recommendation should specifically state the length of time details of the consultancy costs should be kept as part of the record.
- In reply to how long the records would be kept, this would be the standard requirement which was the length of the contract plus six years from the date it ended.

- The Committee was keen to emphasise the need for oversight of costs which was also stated in the report.
- In a discussion on the limit for publication on the transparency code (currently £5k) the Chairman asked that he be provided with details of a few services purchased under £5k. **Action: Chris Malyon**
- Page 53 –Payment of expenses – in the recommendation it was suggested that the word ‘should’ be replaced with the word ‘would’. The Chief Internal Auditor explained that this was standard wording but that the final version of the Policy would say ‘must’ rather than ‘should’

Issues on Management Action Plan

- Page 56 Cross County Consultancy – on the Consultancy Policy reference was made to a target date for the recommendations of 30th September which had now passed. It was explained that the Policy document had now been updated further to the version included in the report. Internal Audit agreed to find out and provide an update outside of the meeting of where the update had got to. **Action: Mairead Claydon**
- Page 58 - Management Action Plan – the Chairman asked that the recommendation regarding Succession Planning should have the addition of the words “and this Committee”
- The Chairman requested that in relation to control of consultancy expenditure, he wished to see regular reporting and asked that it should come back on a quarterly basis to Audit and Accounts Committee until the Committee was satisfied it was no longer needed. **Action: M Claydon**
- In reply to when the policy document would be available it was stated that it would be available for the January meeting. **Action M Claydon – also action for Democratic Services to add to agenda plan.**

NEW POLICY DOCUMENT

- Page 63 - The Chairman suggested paragraph 1.4 with reference to value for money should be 1.1 and not what appeared to be an afterthought. **Action**
- Page 64 – The Chairman suggested the wording in bold on OPUS LGSS seemed to be contradictory and suggested it should be looked at again. An explanation was provided on what it meant.
- Page 70 8.10 – on the last line reading “A summary of All ex-employees re-engaged as consultants will be presented to SMT/ CMT on a regular basis” - It was suggested that this should be on a quarterly

basis and that this should be added to the wording. **Action: M Claydon.** The expectation was that this report would normally be blank as there were very few examples of re-engagement.

- Page 71 – Appendix A - Engagement of a Consultant – The Chairman suggested Step 7 required a timescale for a response when contacting legal to discuss contract formalities. It was explained that this should be straightforward as Legal would have a standard template to work too.
- Page 85 paragraph 1.7 - Connecting Cambridgeshire Workstream - with reference to the final sentence in the second paragraph referencing payments to De Poel reading “The Programme Manager has not responded to a request for clarification of this issue” **the Chairman asked that a response be followed up and that the Committee be informed of the answer provided. Action: M Claydon.**

In summing up, the Chairman welcomed the transparency of the report and recognised the urgent need for action and that value for money had been achieved but could not condone the manner in which procurement procedures had not been followed.

It was resolved:

- a) To note the agreed improvements (and associated timeframes for implementation) as set out in the recommendations in the report set out in Appendix 1 as amended in discussion and agreed that they were appropriate and proportionate.
- b) To agree that Internal Audit should undertake a review on compliance by a spot check review of contracts with a view to reporting back in a year's time (*November 2019 or January 2020 whichever was more practicable*).
- c) That should any further breaches of the Contracts Policy arise before this review, an exception report should be presented to the next available Audit and Accounts Committee

CHANGE IN ORDER OF THE AGENDA

Due to the Officer requiring to be at another meeting it was agreed to change the order of the agenda and take agenda item 9 next in the order of business

134. REVIEW OF THE IMPLEMENTATION OF THE ‘CHANGE FOR CHILDREN PROGRAMME’ INCLUDING THE DEVELOPMENT OF SHARED SERVICES ACROSS CAMBRIDGESHIRE AND PETERBOROUGH

The Committee received a report presented by the Service Director Children and Safeguarding on the progress of the Change for Children Programme developed in order to address some long standing challenges in delivering

children's social care services in Cambridgeshire. The programme which only went live in November involved the structure of children's social care services moving away from being based on small generic 'Units' to one of larger and more specialist teams. The aim was that the additional case-holding workers within the new teams would lower caseloads per social worker, while greater management oversight would help improve the quality of planning for children, young people and their families. The commitment made to General Purposes Committee was that the changes would help bring child care services back to being at the average level of the County's statistical neighbours and achieve £3m in savings. It was highlighted that despite the level of change, morale in the service was good and the vast majority of the workforce welcomed the change of direction.

In discussion:

- In answer to a question on how progress would be measured, it was explained a report was going to Children and Young People's Committee proposing a whole range of performance indicators. Regarding the national target of 45 days for carrying out assessments following the referral stage, where the Council's performance was currently 84% against a national average of 85%, seeking to achieve challenging targets of initially 95% and eventually 98%.
- Regarding when a further update report would be appropriate, it was suggested the April / June figures would be an appropriate milestone which could allow a report to come forward to the July 2019 Committee meeting. **Action: Democratic Services to add to Agenda Plan.**
- Attention was drawn to the very successful recruitment exercise of 18 qualified social workers from overseas who had helped contribute to the reduction in the number of agency social workers employed. In the north of the County this was from a figure of twenty social workers at the beginning of the year to currently only seven and from a figure of 18 at the beginning of the year in the south to ten. The forecast at the end of the year was for only four agency staff being employed in the North and six in the south.
- Page 99 - Paragraph 2.37 - in response to a question regarding child protection enquiries and the expected improvement in quality in this area, this would be monitored via a performance indicator on timeliness.
- Page 100 regarding pre-proceedings work detailed in paragraphs 2.44-2.47 this was seen as being a vital tool in ensuring where care proceeding cases had to go to court, the information was available to enable the courts to make decisions quickly and ensuring plans for children could be progressed.

Summing up the Chairman and Vice Chairman both praised the Director for an excellent report and looked forward to receiving the next update.

It was resolved:

- a) To note the progress made in the implementation of a new delivery model in Children's Social Care since May 2018 when the changes were approved by the Children and Young People's Committee.
- b) Note the areas of performance that the new delivery model was intended to improve and the measures to monitor this.

135. STREET LIGHTING ENERGY UPDATE

This report was in response to a request to update the Committee on recent trends relating to energy usage regarding street lights which had seen a reduction then an increase in consumption.

The key trends identified were:

- From the start of CCCs Street Lighting Private Finance Initiative (PFI) contract in July 2011, Balfour Beatty (the Council's Street Lighting PFI contractor) undertook to replace the existing street lighting inventory with a more energy efficient set of lights. The Programme ran until March 2017 and reduced the County Council's overall energy usage from approximately 21 million KWh per year, down to approximately 11 million.
- In addition to the above, the Council took the decision to implement reduced lighting levels, as well as switching off some lights between 2am and 6am, in order to deliver additional energy savings. These reductions were made between April 2016 and January 2017, at which point the Council reversed the decision. As a result, the 12 month rolling total of energy usage increased between January 2017 and January 2018.
- In general, energy consumption would increase year-on-year, as additional street lights were adopted from new developments and infrastructure improvement schemes across the County.
- The roll out of the Light Emitting Diode (LED) lantern replacement programme should help in decreasing current consumption with the report listing other measures to deliver energy efficiencies
- Other than the recent increased energy use resulting from overturning the decision to switch off lights, the general trend had been one of reducing energy use. It is expected that this trend would continue downward as more lights are upgraded to LED.

Issues raised in discussion included:

- In reply to questions on how far had the LED programme progressed and what it included, it was 75% completed with the remainder of conversions expected to be completed by December. All new lamps were fitted with LED bulbs. Since 2011 the County Council had adopted over 3600 lamps from new developments with 560 lights adopted so far this year and with an average of 700-800 new lights a year. In addition to new developments, the A14 upgrade would result in several hundred new lights being adopted at roundabouts etc.
- In reply to a question on how additional lights could be added beyond those included in the programme, the only way was either through the Local Highway Improvement Fund or asking the relevant Town Council to pay for it.

The officers were thanked for a very useful update report which the Committee was happy to note.

136. TRANSFORMATION FUND MONITORING REPORT QUARTER 2 2018-19

This report had not yet been received by the parent General Purposes Committee at the time of this agenda's despatch. It outlined progress in the delivery of the projects for which transformation funding had been approved at the end of the second quarter of the 2018-19 financial year. Of the schemes currently running 13 were green (on track) with two red and one amber due to the delivery of benefits either being delayed or not being achieved as originally anticipated. It was highlighted that even the two schemes shown as red had made significant savings and were still expected to make further savings.

In discussion:

- Regarding the Dedicated Social Work and Commissioning Capacity Learning Disability Scheme set out in 2.2 there was a request for an explanation outside of the meeting for the difference in the saving achieved shown in the table as being £1,737m while the text at the foot of the page referred to a saving of £2.5m **Action: Julia Turner**
- Page 111 - Outcomes table - in response to the query of why one of the schemes had a RAG (Red, Amber, Green) rating showing blue, this was due to it having had achieved greater savings than had been targeted for.
- Details were provided of additional schemes coming through for the following year including £1.5m for the Adult Positive Challenge Programme and more money for Looked After Children Initiatives.
- Regarding a query on some of the figures shown in the table under paragraph 2.1 on page 108, it was explained that the detail of how these figures had been calculated would be provided in the next update report.

- There was request for the detail of the annual budget of the Transformation Team. As the greater part of the funding of the Team was derived from capital project funding, the officer would need to take this way and provide the exact figure outside of the meeting. **Action: Julia Turner**

Having commented:

the Committee noted the report and the impact of Transformation Fund investment across the Council.

137. **DRAFT WHISTLEBLOWING POLICY AND MANAGER GUIDANCE DOCUMENT**

This report provided a revised Whistleblowing Policy and a Whistle Blowing Manager's guidance document for comments.

The Chairman commented that compared to the previous report where no whistleblowing complaints had been received the total of six as detailed in section 6 reflected progress in people being more willing to engage with the process and was a positive sign. Of these, one was below the threshold for investigation, two had involved the whistleblower being provided with advice and three had been the subject of investigation, of which two had been completed and one was still ongoing.

In discussion on the Policy:

- There was a request to update Fiona MacMillan's details.
- There was discussion on the wording in section 4.4 under the heading 'Untrue Allegations' and whether this required re-wording for clarity.
- It was suggested that in Section 5 - 'How the Council will respond' paragraphs 5.2 and 5.3 should come before 5.1.
- On paragraph 5.4 regarding writing to the person raising the concern within 7-10 working days, this was considered too long, potentially creating anxiety on what had happened to their complaint and therefore an addition to the wording should be made to send a simple acknowledgement as soon as possible after receipt. **Action. M Claydon**
- A question was raised regarding what would happen if it was necessary to the investigation to disclose a person's name and they refused permission. It was explained that if that was the case and unless there was a legal requirement to pursue the case further, Internal Audit would have no choice but to cease investigation due to the potential difficulties (these would be explained to the complainant). The aim would always be wherever possible to maintain a complainant's anonymity. The Chairman suggested that the relevant

paragraph of the procedure needed to be revisited to provide greater clarity on the point discussed. **Action. M Claydon**

- Page 136 of the manager's guidance would also need to be updated to make reference to the initial acknowledgement response requested and agreed earlier. **Action M Claydon**
- On the same page under 2.1, an explanation was requested regarding what below the threshold meant. This related to the quantum of the allegation e.g. Internal Audit would not wish to use valuable resources to investigate minor allegations such as the alleged theft of an item of stationery. To be able to reach a reasoned conclusion it was necessary to obtain sufficient evidence.

Having recommended some minor changes and subject to their inclusion (to also include running a final version by the Chairman and Vice Chairman);

The Committee resolved:

To approve the revised Whistleblowing Policy and Whistleblowing Manager's Guidance document.

138. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit progress report was received by the Committee that provided detail of the main areas of audit coverage for the period 1st

September 2018 to 31st October 2018 and the key control issues that arose.

Section 4 set out the summaries of completed audits with satisfactory or less assurance which were in respect of:

- Public Health Section 75 Agreement Review – limited assurance over the control environment and a satisfactory opinion on compliance. Regarding a question raised by the Chairman of the Health Committee on the £123k underspend, Public Health officers were chasing up on the funding issues.
- Unannounced Visits – Libraries Income – satisfactory assurance over the control environment relating to income processes in libraries and also to compliance with income processes.

Section 5 included details of the significant pressures on the Audit Plan from resources required on the following:

- Ely Bypass
- ERP Gold

During discussion of the report:

- ERP Gold – The Chairman asked what progress was being made highlighting that at a Chairman briefing he had been informed that the excessive delays when remote working had been resolved. It was indicated that a stable platform was required for a six month period and was a top priority for LGSS and the Internal Audit Team with the main update as set out in paragraph 5.3 of the report. A briefing note having been prepared for Section 151 officers on issues requiring to be addressed. **The Chief Internal Auditor offered to provide a briefing note to share with the Chairman. Action: Duncan Wilkinson**
- With reference to the Internal Audit Plan, and regarding the issues that had arisen during the year that had taken more Internal Audit resources / time, than originally planned for (e.g. ERP Gold Ely Bypass) asked that for the next meeting a summary of the impact on planned activity that could not be progressed to the original timetable should be provided with updates on this as a standard update in all future reports. **Action: Mairead Claydon undertook to include this in the January report.**

On Appendix B Summary of Outstanding Recommendations issues raised included:

- On Client Contributions - Deferred Payment Agreements – In respect of an update revised target date this was now January 2019.
- Payment Methods – Services should apply to be transformed – In reply to providing an explanation this was to ensure priority was given to those services with higher costs that would benefit the most from switching to electronic methods of payment.
- Schools Payroll and Safe Recruitment – Review of CCC contracts with External Payroll Providers – noting that the meeting to discuss the recommendations had been postponed in September the Chairman asked that this be chased up as soon as possible. **Action: Mairead Claydon**

It was resolved to:

To note the report.

139. INTEGRATED RESOURCES AND PERFORMANCE REPORT TO END OF AUGUST 2018

Members received a report that presented financial and business information to assess progress in delivering the Council's Business Plan which had been presented to General Purposes Committee who had agreed the recommendations as set out on the front page of the report.

During the course of discussion Members raised the following:

- With reference to question of how much remained in the Smoothing Fund following the approval of recommendation f) to allocate £3.413m from its reserves towards pressures in children's services budgets in 2018-19, the reply was approximately £5m.
- The Chairman highlighted that he had previously requested that the indicators on page 164 should include details of the target April base figure, what the figure had been for the previous month what the current figure was for the month being reported and also the direction of travel. **The officer indicated that this information would be provided in future reports. Action: Stephen Howarth / Tom Barden**
- Page 170 - the Chairman highlighted that in the Revenue Budget table CS Financing was the only budget showing a minus figure (-4.5%) in the forecast variance for August column. The detail for this was provided in paragraph 3.2.6 on page 173. **The Chairman asked for more detail to be provided regarding the rebate of £110k of bank fees on international payments. Action Stephen Howarth**
- Page 171- the Chairman expressed his surprise at the large increase in Children in Care from the position in June – showing a pressure of +£1.4m an increase of £1.125m in just one quarter. The paragraph in the report referred to, explained the reasons.
- Page 172 – Attention was drawn to the reason for the need for High Needs Top up Funding which included new pressures within year.
- Page 172 - Sexual Health and Contraception – on the underspend in this budget it was explained the figure of £281k had been an accounting error for some time and needed to go back to the ring fenced Public Health grant reserve and would be used to fund £281k of public Health eligible funding during 2018-19 in place of £281k of General Cambridgeshire County Council (CCC) funding producing an overspend against the CCC corporate funding.
- Page 175 – Capital Programme an explanation was requested in respect of the top line of the table under paragraph 5.1 which had an original budget of just under £36m with a revised budget of nearly £62m and actual spend of just over £17.5m. These were issues of profiling. It was explained that a considerable amount of the capital costs had not come in for the Ely Bypass Project at the beginning of the year.
- Page 177 – paragraph 5.4.2 second bullet - it was explained that the re-phasing on the Northstowe Secondary and Special school was due to a requirement for piling foundations on the site leading to an increased in total scheme cost and also extended build time. This had not been initially planned due to the initial milestone estimates of cost

not knowing the exact location of the secondary school. When this had been established the exploratory work on the ground conditions on site found the need for piling. This was challenged by another member who suggested the school had been in the Plan for five years and the position of the school was known as part of Phase 1.

- Page 182 – paragraph 6.2 it was clarified in reply to a query that the reference to Council tax should have had a capital T for tax to as it was referring specifically to 'Council Tax' levels and not to any other taxes.
- Page 183 - In relation to the balance sheet net borrowing projections of August showing a figure of £517m there was a request for an explanation of the final estimated figure of £683m at the end of the financial year. It was explained that the higher level of borrowing in respect of housing investments that would show up in the final figure at the end of the year.
- Page 187 Appendix 1 Transfers between services throughout the year – an explanation was requested for the figure of -863 on the line titled 'Greater Cambridge Partnership budgets not reported in CCC budget' - as this was the only figure showing a minus against Corporate Services – **Action - explanation to be provided by Stephen Howarth outside of the meeting.**

It was resolved:

To note the report.

140. LATE REPORT

The Chairman agreed to take the following late report under the discretionary powers given to him under Section 100B (4) of the Local Government Act 1972, having taken account of the following reasons for lateness and urgency provided:

Reasons for lateness – officers were not in a position to finalise the report at the time of the initial agenda despatch

Reasons for Urgency – The Chairman considered that it was important that from the current meeting onwards that there should be an update report on the accounts preparations to each Committee meeting up to the receipt of the draft accounts.

141. STATEMENT OF ACCOUNTS PROCESS – ACTION PLAN UPDATE

This report provided an update on progress following the review of the 2017-18 accounts closure process presented to the Committee in September.

It was reported by the lead officers Jon Lee and Michelle Parker that the 2018-19 accounts preparation with the new auditors was progressing well with

an approach having been agreed, following a number of meetings between Finance officers and Mark Hodgson from EY, the Council's new external auditors. This included agreeing to take the date of property revaluations at 30th November with desk top reviews to be undertaken in February. The latter would determine whether any revaluations would be required, and would reduce the risk that values of property assets would be materially miss-stated at the balance sheet date of 31st March.

Other lessons learned and improvements for 2018-19 were set out in section 3 of the report under the headings: Data Analysis; ERP Gold Statement of Accounts Production. In terms of the latter, the intention was that at the January meeting there would be a brief demonstration of the new closedown approach.

During the course of discussion Members asked:

- how confident were officers that the transfer of data to ERP Gold would be achieved? In reply it was indicated that it had already been through an audit in respect of early transactions migrations to the new system and the relevant officers were meeting on a regular basis to monitor progress.
- What was the position on BDO being able to sign off the previous two years accounts which had been the subject of challenge by a member of the public? It was reported that the review by BDO was still ongoing, with no update currently available when sign off might be achieved and which would also involve a report back to the Committee.

It was resolved to:

- a) Note the report and
- b) Receive regular update reports to each Committee meeting.

142. FORWARD AGENDA PLAN

The Committee received its forward agenda plan for noting to be updated for changes agreed earlier in the meeting.

The Chairman requested that the delayed training on capital projects should be undertaken at around 1.00 p.m. before the next Committee meeting in January.

It was resolved to note the forward agenda plan.

Chairman
22nd January 2019

AUDIT AND ACCOUNTS COMMITTEE MINUTES ACTION LOG FOR JANUARY 2019 COMMITTEE MEETING

<u>NO</u>	<u>TITLE OF REPORT / MINUTE AND ACTION REQUESTED</u>	<u>LEAD</u>	<u>PROGRESS / RESPONSE</u>
ACTIONS ARISING FROM THE MINUTES OF THE JULY 2016 COMMITTEE MEETING			
1.	MINUTE 226. MINUTES		
	<p>Minute 213 'Systems in place to ensure that Section 106 Funds do not go unspent'</p> <p>The November 2016 Committee meeting agreed that updates either to the Committee or to the Chairman should be provided on a six monthly basis.</p>	Tom Kelly	<p>Next update due in March 2019. (Action: Tom Kelly)</p> <p>ACTION ONGOING</p>
ACTIONS ARISING FROM THE MINUTES OF THE 29th NOVEMBER 2016 COMMITTEE MEETING			
2.	MINUTE 261 – CAMBRIDGESHIRE COUNCIL WORKFORCE STRATEGY UPDATE		
	<p>There was a request that once implemented, there should be a regular quarterly report on the Action Plan progress.</p>	Martin Cox / Lynsey Fulcher	<p>The report submitting the final Strategy for endorsement by General Purposes Committee and for final approval by full Council has been rescheduled a number of times since the report to the November 2016 Committee. It has now been re-titled People Strategy will now be going to 26th March 2019 General Purposes Committee (GPC) and the 14th May Council meeting. ACTION ONGOING</p>

ACTIONS ARISING FROM THE MINUTES OF THE 23rd JANUARY 2018 COMMITTEE MEETING			
3.	61. AUDIT AND ACCOUNTS MINUTE ACTION LOG FOR JANUARY 2018		
	<p>a) Audit and Accounts Training Plan – Running through the detail of a non-contentious project - It was originally agreed that the session requested by the Chairman, should be before the March meeting.</p>	<p>M Kelly</p>	<p>This was to have been held before the January Committee meeting. However, due to officer illness on the day of the Committee, this session had to be postponed and a new date arranged.</p> <p>As agreed at the May 2018 meeting that having consulted with the Committee, the Chairman was still keen for Internal Audit to offer this training to the Committee. Internal Audit to liaise with Chairman on finding a suitable date in the autumn.</p> <p>The session has been booked to take place before the January 2019 meeting.</p> <p>ACTION COMPLETED</p>
ACTIONS ARISING FROM THE MINUTES OF THE MARCH 2018 COMMITTEE MEETING			
4.	MINUTE 77 - DRAFT INTERNAL AUDIT PLAN 2018-19		
	<p>Action: Internal Audit look at lower contract thresholds for reassurance (to ensure greater value for money was being achieved) and also to look at the administrative cost of procurement compliance.</p>	<p>D Wilkinso n / Mairead Kelly</p>	<p>These would be undertaken as part of the reviews included in the Internal Audit Plan being undertaken.</p> <p>Economy and Environment Committee at their meeting in April when considering the Ely Bypass overspend Capital Report requested that Internal Audit should review this project as part of one of the reviews on capital project overspends to establish whether any lessons could be learnt going forward.</p>

			An update on progress is included in the Internal Audit Report. ACTION ONGOING
ACTIONS ARISING FROM THE MINUTES OF THE 29TH MAY 2018 COMMITTEE MEETING			
5.	MINUTE 85- CHILDREN'S SOCIAL CARE CASE LOADS QUARTELY UPDATE	Sarah-Jane Smedmor	The next update report is due in March 2019.
ACTIONS ARISING FROM THE MINUTES OF THE 30TH JULY 2018 COMMITTEE MEETING			
6.	MINUTE 102 - SAFER RECRUITMENT IN SCHOOLS UPDATE		
	In terms of progress on the gaps in provision and when a good time would be to receive an update report, the officers indicated that this should be around Easter 2019.	R Sander-son / C Meddle to agree	Easter is April in 2019 and therefore May 2019 should be added as the next appropriate Committee date for the substantive update. Added to Forward Plan
7.	MINUTE 108 - AUDIT COMPLETION REPORT (ISA 260) DRAFT FOR THE YEAR ENDED 31ST MARCH 2018		
	a) Democratic Services to liaise with BDO on scheduling a date for BDO to report back on the current objection and with the detail on the outcome of the objection on the previous year's Accounts.	RVS / L Clampin	It was confirmed that BDO were not in a position to report to the January Committee. External Audit indicated that they would alert Democratic Services as to the appropriate Committee to which the report should go. At the time of preparing this Minute Action log update External Audit were discussing with the Chief Executive additional procurement work were not able to confirm when the likely date would be.

ACTIONS ARISING FROM THE MEETING HELD ON 20TH SEPTEMBER 2018			
8.	MINUTE 120 INTERNAL AUDIT PROGRESS REPORT		
	<ul style="list-style-type: none"> Drew attention to the Deprivation of Liberty Standards (DOLS) assessments and expressed concern regarding the average assessment waiting times. Officers explained the context of DOLS and how the change of legislation had made the process challenging for Local Authorities to manage. Officers provided assurance that waiting lists were managed continuously and cases prioritised appropriately. Members requested that a further report regarding DOLS assessments be programmed regarding the implementation of recommendations made by the audit. 		This will be reported as part of a future Internal Audit Progress Report.
9.	MINUTE 123. LEVEL OF OUTSTANDING DEBT		
	a) The ERP Gold system brought greater automation and improved reporting that was constantly evolving. The Chairman and Vice-Chairman requested the regular	Bob Outram Head of Debt and Income	It had not been possible to provide an update at the November meeting as the Head of Debt and Income had been on sick leave for a period of time. It was agreed to reschedule the next Outstanding level of debt update to be brought forward from the March 2019 meeting to the January 2019 meeting.

	Debt update reports be sent to them.		A report is included on the agenda.
	b) Requested that the Chartered Institute of Public Finance and Accountancy (CIPFA) report be circulated to Members when received.		The above referred to report includes the requested report as an appendix. ACTION COMPLETED
	c) Requested that information relating to the initial total debt, the current debt position, how much had been written off and how much was secured or part of a payment plan, that demonstrates the relationship to the Council's revenue budget be forwarded to the Committee.		A report is included on the current agenda.
ACTIONS ARISING FROM THE MEETING HELD ON 31ST OCTOBER 2018 – COMMUNITY TRANSPORT REPORT			
10.	<p>In respect of actions from the 31st October meeting while there was an update report on the November agenda the Chairman highlighted as a reminder that:</p> <p>A) He was to be informed of details of any breaches of licences as detailed under Minute 127 on page 26.</p>	<p>Assist- ant Director Culture and Communi- ty Services.</p> <p>C May</p>	<p>Checks have been ongoing for all types of contracts / operators. No breaches by FHE (FACT / HACT / ESACT), have been discovered in the period since the October meeting. Staff have been instructed to notify Cllr Shellens of any FHE breaches that occur.</p>

	1. Page 28 - He was still to be provided with details of how many new applications would be undertaken annually.	C May	<p>This action was identified as being required to be undertaken by the Assistant Director Culture and Community Services.</p> <p>FHE were unable to provide this information when asked. However they confirmed that their total membership is around 1300 clients, and membership subscription last for 1 year. Therefore officers are proposing that the new membership criteria is applied to all members as they renew their subscription (and all new members of course).</p>
	2. Page 30 – the reasonableness of the charges in terms of being a commercial charge levied on the commercial arms of the community transport vehicle fleets had at the time of the November meeting not been circulated.	M Claydon Internal Audit.	<p>It was explained at the November meeting that this was currently being looked into with full testing to be undertaken the day after the Committee.</p> <p>This is being reported on as part of Internal Audit's report on the FH&E action plan.</p>
	3. Page 31 – there had been a request for the Chief Finance Officer to review a random selection of legal documents	C Malyon	<p>The conclusions of the review were shared with the Committee on 16th January stating: "As requested by the Committee I have reviewed a number of legal documents to assess whether they are fit for purpose. My general feeling is that the experience that the Chair encountered, which led to this request, was not generally reflective in the papers that I reviewed. However I did find errors of some scale throughout which I will take up with LGSS Law."</p>
	4. Page 31 – The action in the name of the Chairman to share the information he had been provided from Internal Audit regarding the Citroen Loan information for Councillor Kavanagh was still outstanding.	Cllr Shellens	<p>It was confirmed that the information had been passed from Internal Audit to the Chairman before Christmas to enable this action to be completed.</p> <p>ACTION COMPLETED.</p>

ACTIONS ARISING FROM THE MEETING HELD ON 22ND NOVEMBER 2018

11.	<p>MINUTE 131. PETITION AND PUBLIC QUESTIONS</p> <p>a) COMMUNITY TRANSPORT</p> <p>A number of statements raising further issues on Community Transport had been received in advance of the meeting from the Chairman and Members of the Cambridgeshire Bus, Coach and Taxi Association (CBCTA), Dave Humphreys and Donna Allsop. Any issues that required a response were to be in writing following the meeting</p>	D Wilkin-son / C May	<p>Democratic Services on behalf of the Chairman provided responses from Internal Audit to questions raised by the Cambridgeshire Bus, Coach and Taxi Association in an email on 13th December. The details were also sent to the Committee in an e-mail dated 8th January.</p>
	<p>b) Objection to the accounts additional information</p> <p>Reference was made at Committee to information updates sent the previous day by Mr Mike Mason to the Chief Executive and Members of the Committee regarding his objections to the last two sets of Accounts, including the appointment of the consultants V4 Services Limited. The relevant officers would be looking at them and they would either be taken into account as part of the final report from BDO, the External Auditors dealing with the objections, or officers would write to him outside of the meeting.</p>	C Malyon to liaise with BDO	<p>The additional information was passed on from the Chief Finance Officer to BDO.</p>

12.	MINUTE 132. COMMUNITY TRANSPORT ACTION PLAN		
	A) Action 40 – ‘external officer to investigate where the issues with the Freedom of Information requests originated’ and Action 41 Chief Executive to share Report with Audit and Accounts Committee.	Democratic Services add to agenda plan in name of Internal Audit.	Internal Audit have confirmed that the draft report had been passed to the Chief Executive for review and so was not yet in a position to be shared.
	B) The Chairman asked that he be provided with the draft report as soon as possible.	M Claydon	As above. Internal Audit had provided the Chairman with an update on progress but at the time of preparing this update, the draft Report was still with the Chief Executive and had not been circulated wider.
	C) Geographic eligibility to Community Transport One Member queried how geographical eligibility would be applied, as this could be discriminatory if members wishing to travel across district boundaries were refused, highlighting that South Cambridgeshire did not have a Community Transport provider and the whole of the County was not covered by Dial-a-Ride. Councillor McGuire asked that his concerns should be brought to the attention of the Chairman and Vice Chairman of Economic and Environment Committee.	C May	The Assistant Director Culture and Community Services confirmed that this action had been carried out. In addition Democratic Services had also raised the issue and as a result here had been a conversation regarding the issue between Councillor McGuire with the Chairman Councillor Bates in advance of the meeting. A report was presented to Economy and Environment Committee on 10 th January agreeing new eligibility criteria. ACTION COMPLETED

	D) Request for a follow up report on Membership in March 2020	C May	Democratic Services to add to agenda plan
	E) PKF Report to come forward to January Meeting	M Claydon	See A) and B) above. ACTION ONGOING
13.	MINUTE 133 USE OF CONSULTANTS		
	a) Internal Audit indicated that they would be conducting a follow-up review of compliance with this policy in the first quarter of 2019/20. (April-March)	Mairead Claydon	Any final report back to Committee would depend on the time taken to conduct the review and was unlikely to be until either July or September at the earliest. ACTION ONGOING
	b) The Chairman requested that he should be provided with details of Strategic Management Team's involvement (e.g. relevant notes of their meetings making reference to V4's appointment, any extensions and notification of the breeches of the procurement procedures so that he could see the process that had been taken)	Chris Malyon Chief Finance Officer: Chris Malyon	An oral update will be provided on progress.
	c) In a discussion on the limit for publication on the transparency code (currently £5k) the Chairman asked that he be provided with details of a few services purchased under £5k.	Chris Malyon	An oral update will be provided.

	Issues on Management Action Plan		
	<p>d) Page 56 Cross County Consultancy – on the Consultancy Policy - reference was made to a target date for the recommendations of 30th September which had now passed but was being followed up on. Internal Audit agreed to find out and provide an update outside of the meeting of where the update had got to. Action: Mairead Claydon</p>	Mairead Claydon	A Progress update is included in the follow-ups section of Internal Audit's Progress report.
	<p>e) Page 58 - Management Action Plan – the Chairman asked that the recommendation regarding Succession Planning should have the addition of the words “and this Committee”</p>	Mairead Claydon	<p>This will be looked at as part of the update.</p> <p>ACTION ONGOING</p>
	<p>f) The Chairman requested that in relation to control of consultancy expenditure, he wished to see regular reporting and asked that it should come back on a quarterly basis to Audit and Accounts Committee until the Committee was satisfied it was no longer needed.</p>	M Claydon	As part of the development and implementation of the new policy, this was being developed. See response to g) below.
	<p>g) In reply to when the policy document would be available it was stated that it would be available for the January meeting. Action– also action for Democratic Services to add to agenda plan.</p>	M Claydon	As an update Internal Audit indicate that this would not now be available for the current meeting. Although the body of the policy is agreed, there are two key areas that need to be agreed between services before the final policy can be issued as follows:

			<p>1) Firstly, the way in which a Business Case for consultancy is submitted for approval – it's currently been proposed that this will be through Verto, an IT system owned by the Transformation Team, but to get this arranged input and agreement needs to be obtained from Transformation to set it up.</p> <p>2) Secondly, the reporting on actual consultancy expenditure. The responsibility for producing reports will depend to some extent on the system that is used for the Business Case approval process, so this cannot be finalised until the system is agreed.</p> <p>ACTION ONGOING</p>
	<p>New Policy Document suggested changes</p> <p>h) Page 63 - paragraph 1.4 - with reference to value for money should be 1.1 and not what appeared to be an afterthought.</p> <p>i) Page 64 – The wording in bold on OPUS LGSS seemed to be contradictory and should be looked at again and an explanation provided on what it meant.</p> <p>j) Page 70 8.10 – on the last line reading “A summary of All ex-employees re-engaged as consultants will be presented to SMT/ CMT on a regular basis” - It was suggested that this should be</p>	<p>M Claydon (MC)</p> <p>MC</p>	<p>These changes will be in the new Policy Document when it is brought back to Committee pending the resolution of the issues outlined above in g).</p> <p>Ditto response above under h)</p>

	on a quarterly basis and that this should be added to the wording.	MC	Ditto response above under h)
	Page 85 paragraph 1.7 - Connecting Cambridgeshire Workstream - with reference to the final sentence in the second paragraph referencing payments to De Poel reading "The Programme Manager has not responded to a request for clarification of this issue" the Chairman asked that a response be followed up and that the Committee be informed of the answer provided.	MC	An oral update will be provided
14.	MINUTE 134 REVIEW OF THE IMPLEMENTATION OF THE 'CHANGE FOR CHILDREN PROGRAMME' INCLUDING THE DEVELOPMENT OF SHARED SERVICES ACROSS CAMBRIDGESHIRE AND PETERBOROUGH' Further update report to come forward to the July 2019 Committee meeting.	Rob Sander-son	Action: Democratic Services to add to Agenda Plan.
15.	MINUTE 136 - TRANSFORMATION FUND MONITORING REPORT QUARTER 2 2018-19		
	a) There was request for the detail of the annual budget of the Transformation Team.	Julia Turner	An e-mail response was provided to the Chairman on 27 th November explained that; <i>The Transformation Team has an establishment of 38.5 full time equivalent roles. The full cost of this establishment is £1.96 million with a direct cost to revenue of £0.15m. The remaining £1.81m is</i>

			<i>funded through the Government initiative on flexible use of capital receipts, which was introduced in April 2016. The team operates without business support roles and has no office costs beyond the usual overheads associated with any team based at the Shire Hall site.</i>
	b) Paragraph 2.2 - Dedicated Social Work and Commissioning Capacity Learning Disability - there was a request for an explanation outside of the meeting for the difference in the saving achieved shown in the table as being £1,737m compared to the text at the foot of the page referred to a saving of £2.5m		On the same email as above the response to this query included the following: <i>.... £2.5m has been delivered to date, £1.7m of this is in 18/19, the remaining £0.6m to be delivered in 19/20. The total scheme saving is £3.1m over two years but overlaps three financial years.</i>
16.	MINUTE 137 - DRAFT WHISTLE-BLOWING POLICY AND MANAGER GUIDANCE DOCUMENT		
	<p>In discussion on the Policy:</p> <ul style="list-style-type: none"> • There was a request to update Fiona MacMillan's details. • There was discussion on the wording in section 4.4 under the heading 'Untrue Allegations' and whether this required re-wording for clarity. • Section 5 - 'How the Council will respond' paragraphs 5.2 and 5.3 should come before 5.1. 	<p>Mairead Claydon (MC)</p> <p>MC</p> <p>MC</p>	<p>A revised version is to be included on the agenda which will pick up the issues raised in the bullets from the November meeting set out.</p> <p>See above</p> <p>See above</p>

	<ul style="list-style-type: none"> Paragraph 5.4 regarding writing to the person raising the concern within 7-10 working days, this was considered too long, an addition to the wording should be made to send a simple acknowledgement as soon as possible after receipt. 	MC	See above
	<ul style="list-style-type: none"> A question was raised regarding what would happen if it was necessary to the investigation to disclose a person's name and they refused permission. It was explained that if that was the case and unless there was a legal requirement to pursue the case further, Internal Audit would have no choice but to cease investigation due to the potential difficulties (these would be explained to the complainant). The aim would always be wherever possible to maintain a complainant's anonymity. The Chairman suggested that the relevant paragraph of the procedure needed to be revisited to provide greater clarity on the point discussed. 	MC	See above
	<ul style="list-style-type: none"> Page 136 of the manager's guidance would also need to be updated to make reference to the initial acknowledgement response requested and agreed earlier. 	MC	See above

	MINUTE 138 - INTERNAL AUDIT PROGRESS REPORT		
	<p>a) ERP Gold – The Chief Internal Auditor offered to provide a briefing note prepared for Section 151 officers on issues requiring to be addressed.</p> <p>b) With reference to the Internal Audit Plan, asked that for the next meeting a summary of the impact on planned activity that could not be progressed to the original timetable should be provided with updates on this as a standard update in all future reports.</p> <p>c) Schools Payroll and Safe Recruitment – Review of CCC contracts with External Payroll Providers – noting that the meeting to discuss the recommendations had been postponed in September the Chairman asked that this be chased up as soon as possible. Action: Mairead Claydon</p>	<p>Duncan Wilkin-son</p> <p>Mairead Claydon.</p>	<p>An oral update will be provided.</p> <p>This is included in the Internal Audit Progress Report included elsewhere on the agenda.</p> <p>The meeting had taken place and Internal Audit were currently reviewing the information provided.</p>

17.	MINUTE 139 - INTEGRATED RESOURCES AND PERFORMANCE REPORT TO END OF AUGUST 2018		
	<p>a) The Chairman highlighted that he had previously requested that the indicators on page 164 should include details of the target April base figure, what the figure had been for the previous month what the current figure was for the month being reported and also the direction of travel. The officer indicated that this information would be provided in future reports. Action: Stephen Howarth / Tom Barden</p>		<p>An e-mail to the Chairman dated 3rd December provided details of all the performance Indicators with a background note.</p>
	<p>b) Page 170 - the Chairman highlighted that in the Revenue Budget table CS Financing was the only budget showing a minus figure (-4.5%) in the forecast variance for August column. The detail for this was provided in paragraph 3.2.6 on page 173. The Chairman asked for more detail to be provided regarding the rebate of £110k of bank fees on international payments. Action Stephen Howarth</p>		<p>The Committee received an email from Democratic Services on 8th January which provided the response that following a review by Barclays in relation to the processing of international payments, Cambridgeshire County Council (CCC) was identified as having been overcharged on some international payments. The Barclays Relationship Support Manager contacted our Treasury Management team to notify about them about the refund due. CCC makes international payments as part of routine treasury management.</p> <p>ACTION COMPLETED</p>
	<p>c) Page187 Appendix 1 Transfers between services throughout the year – an explanation was</p>		<p>The same email as above provided the following response:</p>

	<p>requested for the figure of -863 on the line titled 'Greater Cambridge Partnership budgets not reported in CCC budget' - as this was the only figure showing a minus against Corporate Services – Action - explanation to be provided by Stephen Howarth outside of the meeting.</p>		<p>This is a presentational adjustment rather than an actual transfer of budget- the £863k GCP budgets are not reported on in the Corporate Services Finance & Performance report so the IRPR Appendix 1 shows an adjustment in order for the directorate budgets to reconcile to the individual Finance & Performance reports.</p> <p>ACTION COMPLETED</p>
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Agenda Item No. 5

Statement of Accounts Process Update

To: **Audit and Accounts Committee**
Date: 24 January 2019
From: Jon Lee (Head of Integrated Finance Services,
LGSS)
Electoral Division(s): All

Purpose:

To provide an update on progress of the planning for the 2018/19 Closure of Accounts and production of the Cambridgeshire County Council Statement of Accounts.

Recommendation:

The Audit and Accounts Committee are asked to note and comment on the contents of the report.

<i>Officer contact:</i>	
Name:	Jon Lee
Post:	Head of Integrated Finance Services
Email:	jolee@northamptonshire.gov.uk
Tel:	07921 940444

1. BACKGROUND

- 1.1 During previous Audit and Accounts Committee meetings updates have been provided on the status of the planning process for the production of the 2018/19 Statement of Accounts and associated external audit of those accounts.
- 1.2 This update expands on what has been previously discussed as work increases in the preparations for the end of the financial year.

2. 2018/19 STATEMENT OF ACCOUNTS UPDATE

2.1 General Points

- 2.1.1 Meetings have continued to take place with EY (external auditors) as changes in process are embedded to improve the delivery and audit of the accounts. Some of these improvements have been identified from previous year's audits and some have been made by officers, in particular utilising the new ERP Gold system. The meetings with EY have resulted in promising developments in terms of preparing for the interim audit, which in a similar way to last year will be used to maximum benefit to reduce the amount of audit work needed by the auditors during the final audit to sign off the accounts by the end of July.
- 2.1.2 As this is EY's first year as external auditors, it is to be expected that there may be some initial teething problems as both parties get to understand the requirements of the other party. To date, this has not caused any issues and officers are working well with the EY audit team.
- 2.1.3 Similarly, 2018/19 is the first financial year in which the ERP Gold system has operated. This generates both opportunities and risks in terms of the production and audit of the statement of accounts. The opportunities are that the system has been configured to streamline the production of the accounts (both the click of a button solution and the data analytics scripts outlined below were not possible using the previous systems) but the risks are that, as with any new system, there are issues that have yet to be identified and/or resolved. Internal Audit have audited the core financial processes supported by ERP Gold, and the issues identified have either been resolved or are in the process of being resolved. Examples of these issues include the timely reconciliation of control accounts, which was delayed after go-live but has subsequently been improved.

2.2 ERP Gold Statement of Accounts Production

- 2.2.1 As highlighted in previous reports to the Committee, ERP Gold has been designed to adopt a 'push of a button' approach to producing the statement of accounts. Work to refine elements of the closedown

template has been completed, with discussions with various stakeholders taking place to ensure that transactions are coded correctly in order to minimise the time spent calculating the outturn position and producing the accounts in April and May 2019.

- 2.2.2 This improved reporting functionality has allowed greater oversight over the transactions that have been posted to system, and problems to be solved in advance of year end. Examples of this include income being incorrectly allocated, cost centres and account codes not being included in the reporting hierarchy.
- 2.2.3 Some parts of the accounts are by nature not linked to the system and therefore will continue to be completed in the same way as previous years. These include the Contingent Liability and Contingent Assets notes which rely on input from the legal team to identify potential future assets or liabilities for the council. In addition, the group accounts require information from the This Land Ltd accounts and it would not be efficient to load this data onto the system.

2.3 Data Analytics

- 2.3.1 Discussions to agree the data specification required to maximise the use of data analytics during the 2018/19 audit has begun, with a number of meetings with EY
- 2.3.2 As a result of these meetings, EY have provided a data analytics specification, which has allowed the Integrated Finance Team to produce a script that will provide the information required to EY directly from ERP Gold.
- 2.3.3 During the interim audit, we will provide the information in the format requested by EY and this should allow transaction testing to take place during the interim audit. This will be an improvement on previous years and we have begun to try and ensure that we have resources in place to be able to facilitate this.

2.4 External Audit

- 2.4.1 EY are currently undertaking their planning work for the 2018/19 external audit. Initial requests for specific information have been received from EY in relation to areas such as Treasury, PPE and opening balance, with information and documentation for several areas have already been provided, with the outstanding areas in relation to This Land, MRP and Tax to be responded to by the end of January. It has been agreed that the aim is to complete as much of the audit work during the interim audit as possible, reducing the pressure on the final audit period.

- 2.4.2 In addition as all LGSS partners and customers have EY as their external auditors both EY colleagues and officers are discussing opportunities to make efficiencies from the arrangement. For example this includes having a single data specification for data analytics as referred to above, undertaking walkthrough testing on ERP Gold once and standardising the approach to specific parts of the accounts and audit such as pensions valuations.

Source Documents	Location
N/a	

LEVEL OF OUTSTANDING DEBT

To: **Audit and Accounts Committee**

Meeting Date: **21st January 2019**

From: **LGSS Interim Finance Director**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To update the Committee on actions being taken to control and manage debt.**

Recommendation: **The Committee is asked:**

- a) To note the actions being taken to manage income collection and debt recovery.**
- b) Agree that a further update will be provided in May 2019**

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Bob Outram	Names:	Councillor Mike Shellens
Post:	Head of Debt & Income	Post:	Chairman
Email:	routram@northamptonshire.gov.uk	Email:	shellens@waitrose.com
Tel:	07881 035415	Tel:	01480 456555

1 BACKGROUND

- 1.1 Members noted that Cambridgeshire County Council (CCC) needed to lower the level of operational debt outstanding and agreed reduction targets for the 2018/19 financial year.
- 1.2 This report is an update following the previous report presented to both the Audit and Accounts and General Purpose Committee meetings in September 2018 and sets out the current position and the actions being taken to reduce debt.

2 ACTIVITY UPDATE

- 2.1 Since the last update, the below set of reports highlight the activity and progress over recent months to pursue overdue debts:

- 2.1.1 Debt notices are being issued in accordance with the agreed collection strategy as they become overdue for payment. Listed below are the notices issued between 1st April 2018 and 31st December 2018 for all income types.

CCC P1-P9	No:	Value £m
Reminder	5,599	34.519
Final Notice	4,387	10.856
LBA	2,508	6.956
Total	12,494	52.331

- 2.1.2 This table lists debts over 1 year old and what debt recovery stage they are at.

Recovery Stage	Adult Social Care £m	Sundry Debt £m
Active	0.621	1.511
Secured or on a Payment Plan	0.907	0.061
Agency / Legal	0.150	0.013
Budget Holder	0.261	0.034
Deceased	0.791	-
Awaiting Write Off	0.174	0.027
Total	2.905	1.646

The collection process is that once the standard suite of reminder, final notice and letter before action (LBA) are issued the debt is considered for either:

- Manual intervention by phone, email, visit.
- Referral for Legal Action.
- Referral to external debt collection agencies
- Preparation for write-off.

The above report shows how much debt is secured or on a payment plan, referred back to the budget holder or out with 3rd parties. The remainder is either going through the process for deceased customers, awaiting approval to write-off or being actively pursued for payment by our debt recovery team.

2.1.3 The ERP system includes reports not previously available, including the below table showing the percentage number and value of invoices billed and cleared in 2018/19.

Period	Month End	Value	Volume
P1	April	97%	94%
P2	May	96%	94%
P3	June	98%	94%
P4	July	82%	93%
P5	August	93%	91%
P6	September	78%	88%
P7	October	91%	87%
P8	November	81%	91%

This shows that for all income types by value and volume the majority of invoices raised during 2018/19 are being collected. This report (not previously available on the Oracle system) will also allow CCC's collection performance to be measured against other Local Authorities via next year's CIPFA debtors benchmarking report.

3 KEY PERFORMANCE TARGETS

3.1 The targets agreed at Committee last September were for the following debt reductions for 2018/19 against a 31 March 2018 baseline as tabled below:

	Adult Social Care	All other Sundry Debt
91+ day debt as at 31/03/18	£3.655m	£2.007m
Reduction %	8%	15%
Reduction value	£0.286m	£0.298m
91+ day debt Target 31/03/19	£3.369m	£1.709m

excludes payment plan and secured debts

3.2 Debt over 90 days old at each of the last 3 month-ends are shown in the below table against the above targets.

Debt aged over 90 days #	Year End Target	31/10/2018	30/11/2018	31/12/2018
	£m	£m	£m	£m
Adult Social Care	3.37	4.74	4.06	4.42
Sundry	1.71	1.90	2.85	2.47

excludes payment plan and secured debts

3.3 Whilst these quarter 3 figures show that debt is still higher than the year-end target, recovery activity in quarter 4 will further reduce debts by 31st March 2019.

3.4 No irrecoverable debt has been written-off during 2018/19 but cases are being prepared for the s.151 officer to review and approve.

4 BENCHMARKING

4.1 The annual Chartered Institute of Public Finance and Accountancy (CIPFA) debtors benchmarking club report (previously requested by this Committee) shows that for 2017/18 the level of CCC's debts compared well across the 17 Local Authorities that took part. The report is attached and highlights the following:

- The cost of the debt recovery service provided by LGSS per £'000 billed debit was the second lowest at £1.10 compared to the average of £2.82. Only one Local Authority was slightly lower with the other 15 all costing more.
- 46% of CCC outstanding invoices were over 90 days old compared to an average of 62%. Only 3 Local Authorities had less invoices outstanding over 365 days old.
- CCC had the highest percentage of credit notes at 13% compared to an average of 6% which is a measure on the accuracy of invoices raised by CCC Directorates and how many need to be retrospectively changed.
- On debtor days, CCC performed well against the other Local Authorities for debts over 90 days old with Sundry debts at just 4 debtor days compared to the average of 13 and Adult Social Care debts at 49 debtor days compared to the average of 67.
- Staffing costs measured by £'000 per FTE were low for CCC at £24.38 compared to the average of £27.65 across all 17 Local Authorities.

5 STAFF RECRUITMENT AND RETENTION

5.1 During 2018/19, staff recruitment and retention has been a significant challenge for both the debt and income teams. Whilst some staff churn will always occur, the scale of this during the last 9 months is unprecedented and has impacted on our ability to pursue debts.

5.1.1 The below table shows the level of CCC debt team staffing at month-end:

Month-end	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
% staffed	100	78	78	56	56	56	56	56	78	78	89

5.1.2 The loss of experienced staff takes a while to re-establish as new staff are recruited and trained. Vacancies advertised for permanent staff have not attracted sufficient numbers and calibre of applicants. Agencies have provided temporary interim staff but invariably they don't stay long as they secure better paid jobs elsewhere. More recently, staffing levels have started to increase following a concerted recruitment drive. Additional steps are being considered to further stabilise the staffing situation.

6 ACTIONS BEING TAKEN TO REDUCE DEBT

6.1 Listed below are the actions being taken to reduce debt:

- Reconciliation of unmatched payments to outstanding invoices
- Additional outbound calling to chase overdue payments
- Piloting alternative agencies for debt chase and litigation
- Training staff to be multi-functional between teams
- Implementing personal KPI's in addition to those for team performance
- Preparing irrecoverable debts for write-off

7. ALIGNMENT WITH CORPORATE PRIORITIES

7.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

7.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

7.3 Supporting and protecting vulnerable people

There are no significant implications for this priority

8. SIGNIFICANT IMPLICATIONS

There are no significant implications within this category.

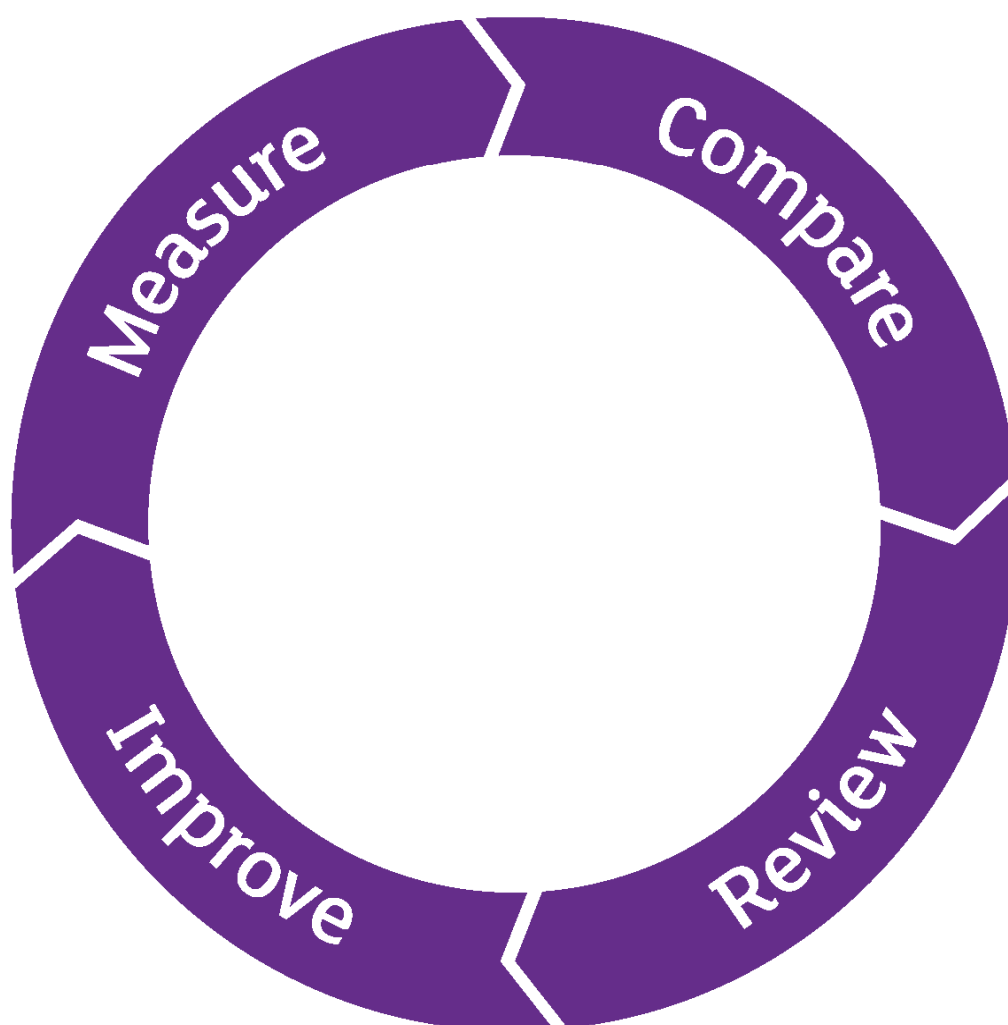
Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Not Applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Not Applicable
Have the equality and diversity implications been cleared by your Service Contact?	Not Applicable
Have any engagement and communication implications been cleared by Communications?	Not Applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not Applicable
Have any Public Health implications been cleared by Public Health	Not Applicable

Source Documents	Location
Level of Outstanding Debt Report to audit and Accounts Committee – September 2018	https://cmis.cambridgeshire.gov.uk/ccclive/Committees.aspx

Analytics and Research

debtors benchmarking club

2018 - Cambridgeshire Final Report



Introduction

This report closely reflects the questionnaire and you may find it helpful to have a copy of your questionnaire to hand when looking through the report.

Debtors benchmarking club collects the transactional volumes and processing costs (wherever they occur in the organisation) for all methods of invoicing and collection of the organisation's debts (excluding council tax, NDR and benefits overpayment recovery where handled outside of the debtors function). Authorities that participate in this benchmarking exercise are able to review their performance in the context of other authorities as well as gaining additional perspective on the scale of their activities.

The report contains information that we hope you will find interesting and useful in the management of your Debtors activities. The first five sections cover the content of the main 2018 questionnaire. The final section provide time series analysis.

At the end of the Benchmarking process, your authority will also receive supplemental materials which will provide further depth to this report:

- **Interactive report:** an Excel spreadsheet containing all the bar charts found in this report. The user can change the charts to show custom comparator groups.
- **Database:** an Excel spreadsheet containing all the data submitted by club members in 2017. The user can also populate a copy of the questionnaire with the data for any member.
- **Scrapbook:** a report containing an analysis of the responses to the text based parts of the questionnaire.

We hope you find the report useful. Please let us know of any suggestions you may have that could help to improve the exercise in future years.

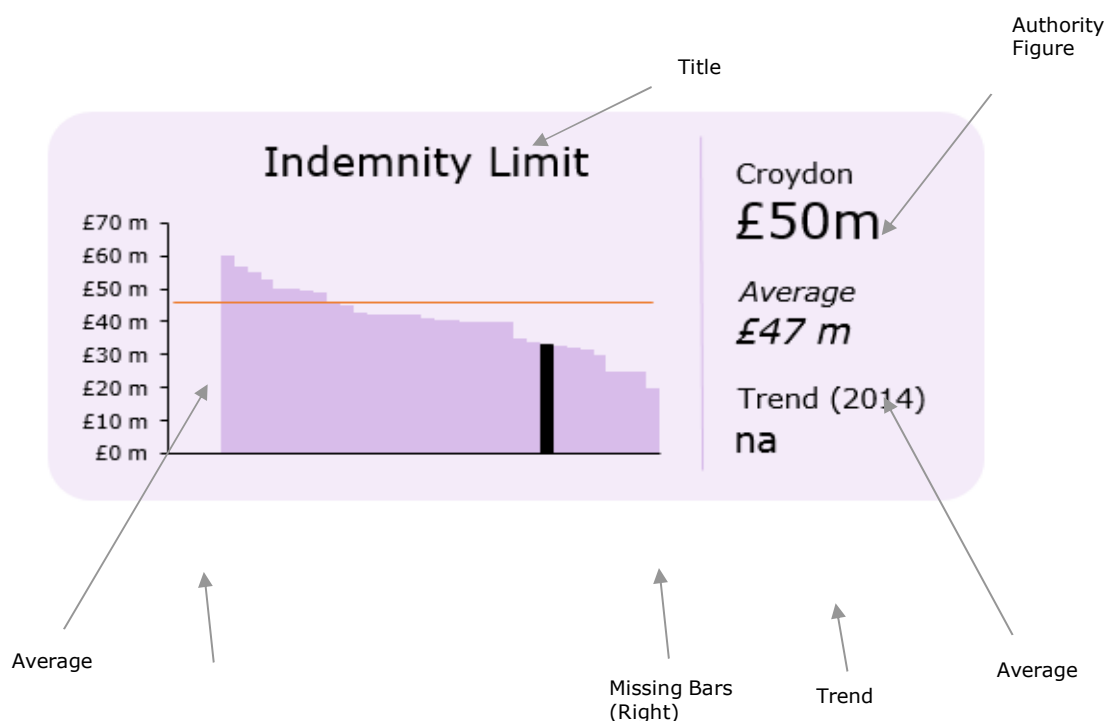
Useful Information

Averages: Almost all of our tables and charts compare your figure with a group average. The average is the unweighted mean value for the group. This average value ignores missing data, or data that we have excluded; for this reason, sets of averages sometimes do not reconcile precisely.

Charts: We display a large amount of data on charts as this allows us to show data for entire groups efficiently and gives far more information than a simple average (i.e. range of data, individual authority values etc.) Below we have annotated some examples of the charts we use.

Bar Charts

This is our standard way of displaying a full set of data for a particular indicator.



Title: Title of this chart.

Authority: Figure for your authority.

Average: The average figure of all the authorities included in this report.

Trend: The figure that you provided to us for the previous year's club *[not included within this report]*.

Purple Bars: Each purple bar represents an authority in the comparator group.

Black Bar: Your authority's figure.

Missing Bars (Left): Missing data or data that has been excluded. These figures are not included in the average.

Missing Bars (Right): Represents values which are 0 and have been included in the average.

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- Benefit Overpayments
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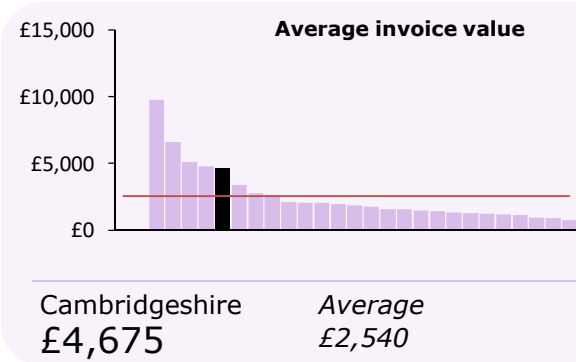
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Section 6 - Timeseries Analysis

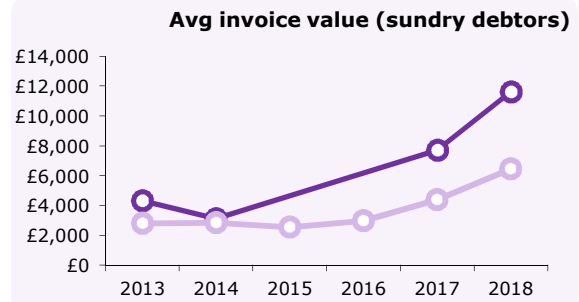
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SECTION 1 - SUMMARY 2018

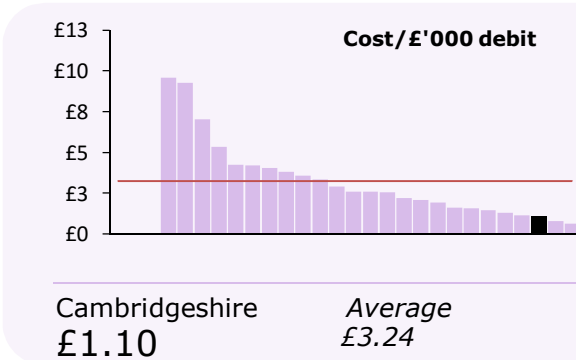
AVERAGE INVOICE VALUE 2017/18



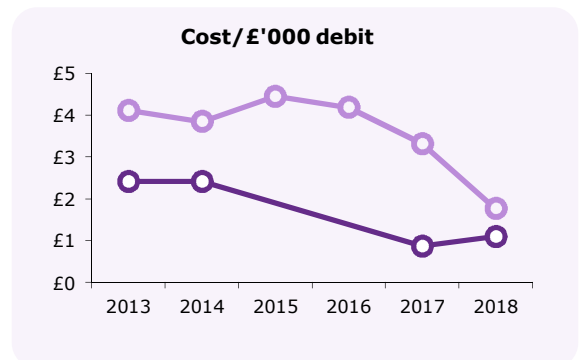
KEY: ○ Club average
● Cambridgeshire



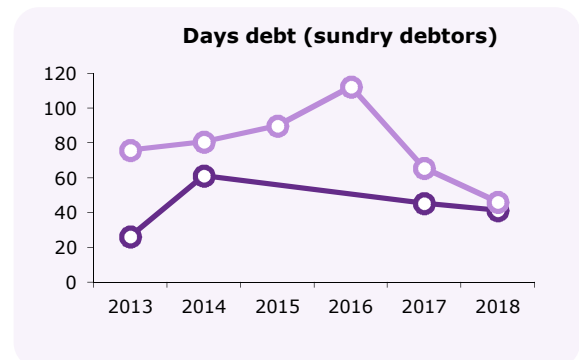
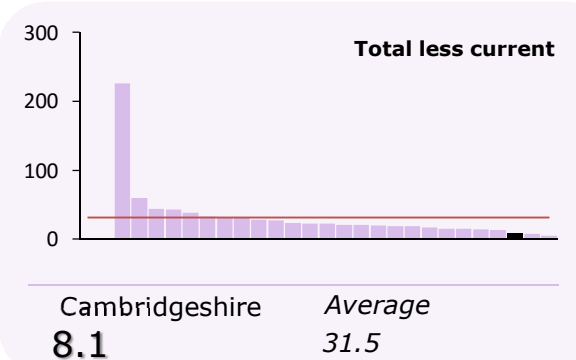
COST/£'000 DEBIT RAISED 2017/18



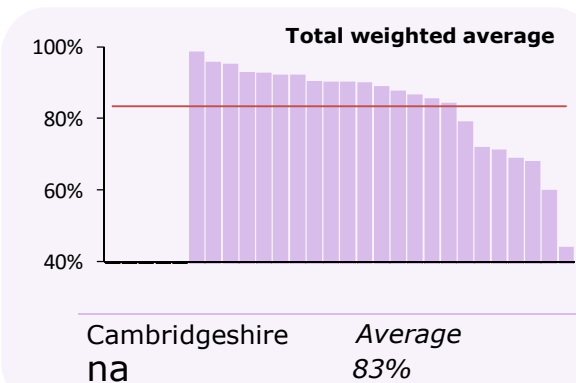
COST/DEBIT = COST/INVOICE / AVG INVOICE VALUE



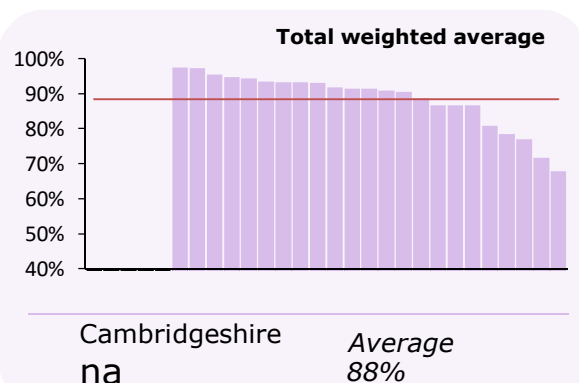
DEBT DAYS - SUNDRY DEBTS



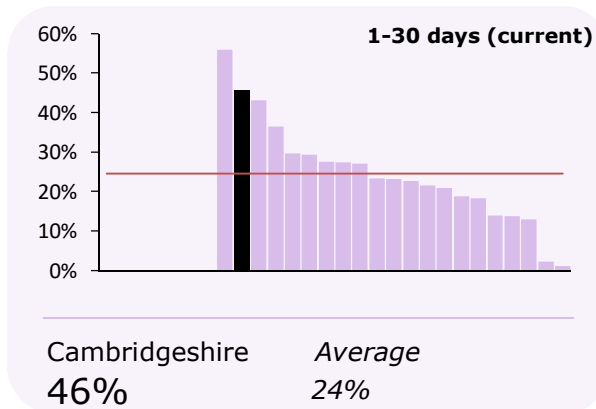
% INVOICES COLLECTED IN 90 DAYS



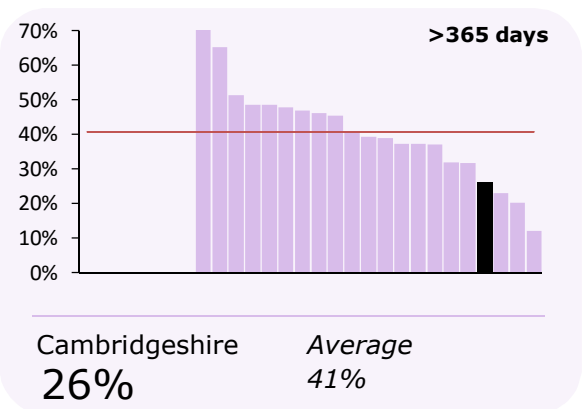
% DEBT COLLECTED IN 90 DAYS



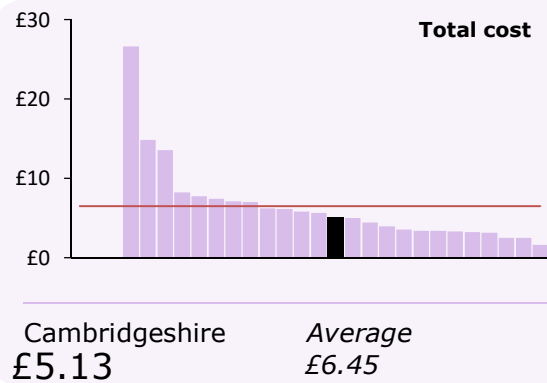
% OUTSTANDING INVOICES CURRENT



% OUTSTANDING INVOICES > 365 DAYS

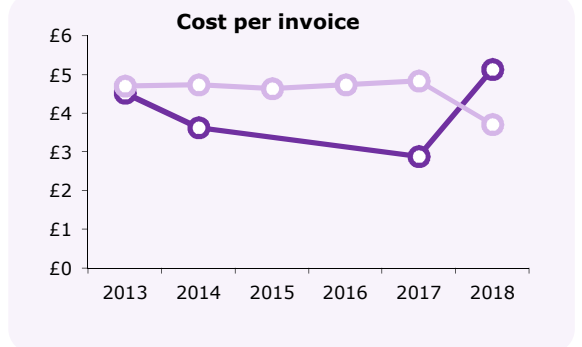


COST / INVOICE 2017/18

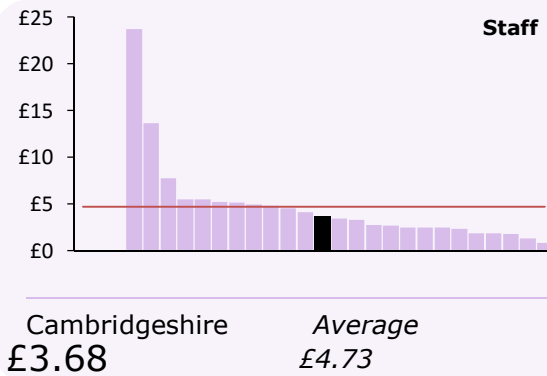


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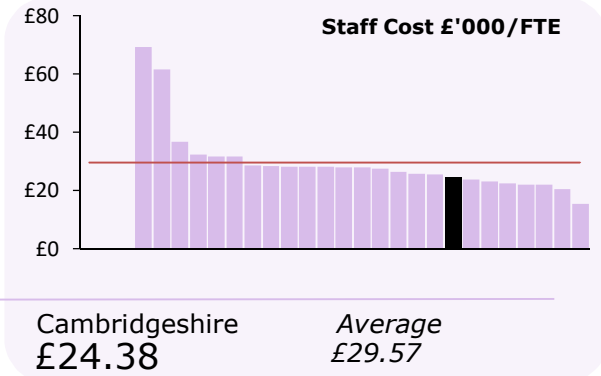
- Club average
- Cambridgeshire



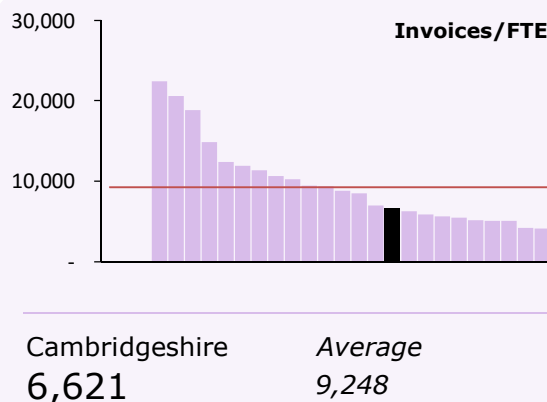
STAFF COST / INVOICE 2017/18



STAFF COST £'000 / FTE



INVOICES PROCESSED / FTE



SECTION 2 - COLLECTION PERFORMANCE

This section looks at how successful you are at collecting debt. It concentrates on debt by category - some of these categories may not be relevant to your class of authority and you may therefore be missing some pages. There is no analysis for total debt as differing mixes of debt make such comparisons meaningless.

The performance measures used are detailed below:

Debtor Days

This measures the number of days worth of debt that is outstanding and is calculated as *Debt Outstanding x 365 / Debt Raised*. In general the lower this figure the better the performance. The total debtor days figure is then broken down by age of debt. An above average figure in the later age categories may indicate a weakness in the collection process or a reluctance to write-off debt.

Write-offs as a Percentage of Debt Raised

This gives an indication of ultimate performance i.e. failure to collect rate. However, as authorities have different write-off procedures and frequencies it should only be taken as an "indicator".

Average Invoice Value

This is shown for each category of debt. A below average value indicates invoices are being raised for small amounts, which may be uneconomical to collect.

Debts Cleared Within 90 Days

For three given weeks spread through the year the number of invoices fully cleared within 90 days is given as a percentage of invoices raised in the week. The weighted average for the three weeks is also plotted. This gives a measure of current performance, which is an important indicator of whether the longer term debt position is likely to improve or not.

Credit Notes

High levels of credit notes may indicate a problem with information from requisitioning departments or an accuracy problem with data punching. Whatever the cause, high proportions of credit notes increase workload and hence cost.

Age Analysis of Debt

High levels of "young" debt (<90 days) indicates good collection performance. High levels of "old" debt (>365 days) may indicate a problem with legal enforcement or the write-off process.

Collection Performance

DEBT ACTIVITY

Debt activity								
	£'000						£	
	No of invoices	B/F 1/4/17	Annual debit	Paid	Write-off	C/F 31/3/18	Avg. invoice value Member	Avg
Sundry debtors	23,371	27,912	271,397	268,348	103	30,858	£11,613	£4,311
Ground rents/service charges	-	-	-	-	-	-	na	£1,118
Other periodics	-	-	-	-	-	-	na	£1,290
Residential care	20,958	7,418	17,228	19,952	223	4,471	£822	£1,051
Non-residential care	19,228	1,628	8,485	7,835	76	2,202	£441	£346
Social care direct payments	-	-	-	-	-	-	na	£2,967
Benefit overpayments	-	-	-	-	-	-	na	£541
Housing recharges & FT arrears	-	-	-	-	-	-	na	£541
LA schools	-	-	-	-	-	-	na	£3,342
Other	-	-	-	-	-	-	na	£14,893
Authority total	63,557	36,958	297,110	296,135	402	37,531		

B/F - Debt brought forward

C/F - Debt carried forward

OUTSTANDING DEBT £'000 @ 31.3.18

Aged debt								WRITE-OFFS	
	1-30 days	31-60 days	61-90 days	91-180 days	181-365 days	>365 days	C/F TOTAL:	Write-off/ overall debit	
								%	Avg
Sundry debtors	24,853	1,943	259	1,841	869	1,093	30,858	0.04%	0.38%
Ground rents/service charges	na	na	na	na	na	-	-	na	0.14%
Other periodics	na	na	na	na	na	-	-	na	0.41%
Residential care	1,761	179	206	435	673	1,217	4,471	1.29%	0.68%
Non-residential care	868	88	102	214	331	599	2,202	0.90%	2.43%
Social care direct payments	na	na	na	na	na	-	-	na	8.55%
Benefit overpayments	na	na	na	na	na	-	-	na	8.04%
Housing recharges & FT arrears	na	na	na	na	na	-	-	na	21.13%
LA schools	na	na	na	na	na	-	-	na	1.05%
Other	na	na	na	na	na	-	-	na	1.00%
Authority total	27,482	2,210	567	2,490	1,873	2,909	37,531		

Collection Performance (continued)

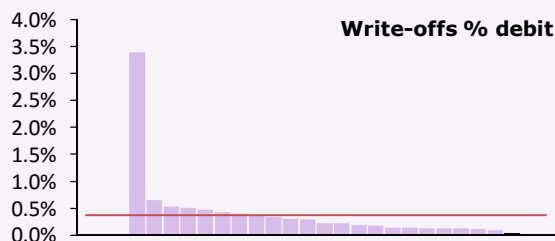
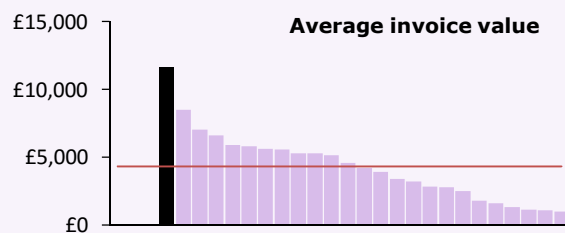
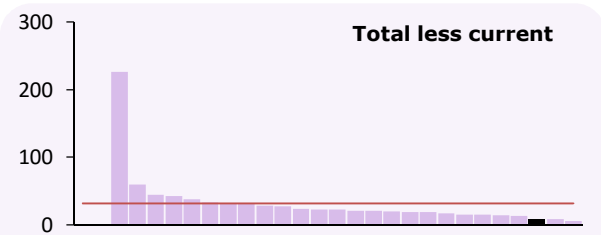
DEBTOR DAYS

Debtor days														
	Total		1-30 days		31-60 days		61-90 days		91-180 days		181-365 days		>365 days	
	Days	Avg	Days	Avg	Days	Avg	Days	Avg	Days	Avg	Days	Avg	Days	Avg
Sundry debtors	42	59	33	28	3	7	0	4	2	2	1	3	1	8
Ground rents/charges	na	76	na	32	na	1	na	1	na	5	na	14	na	35
Other periodics	na	70	na	47	na	2	na	3	na	3	na	3	na	12
Residential care	95	134	37	26	4	10	4	5	9	13	14	17	26	55
Non-residential care	95	100	37	16	4	9	4	6	9	9	14	17	26	43
Social care direct payments	na	362	na	51	na	17	na	8	na	38	na	26	na	192
Benefit overpayments	na	1,077	na	57	na	26	na	24	na	61	na	119	na	774
Housing recharges & FT arrears	na	1,026	na	37	na	21	na	29	na	45	na	85	na	930
LA Schools	na	84	na	26	na	6	na	2	na	3	na	4	na	50
Other	na	44	na	22	na	4	na	1	na	3	na	4	na	10

Benchmarking ratios are ignored for under 50 invoices and where annual debt raised is less than £10k.

Collection Performance - Sundry Debtors

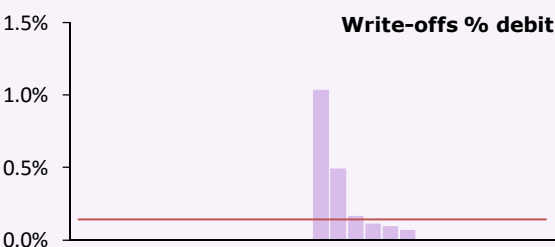
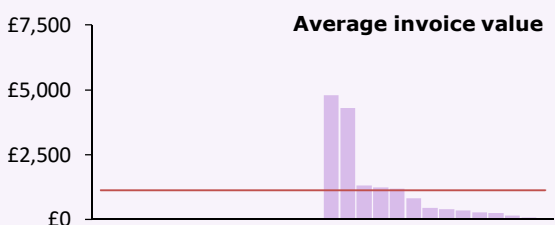
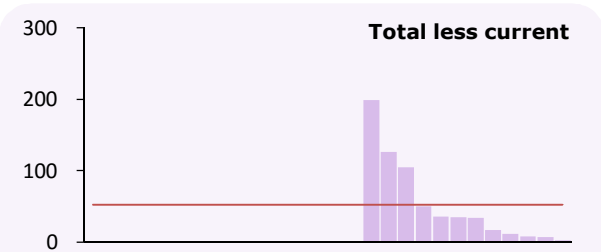
DEBTOR DAYS



Sundry Debtors	Your Authority	Avg
Debtor Days - Total less Current	8	32
Average Invoice Value	£11,613	£4,311
Write-offs as % of debit	0.04%	0.38%

Collection Performance - Ground Rents & Service Charges

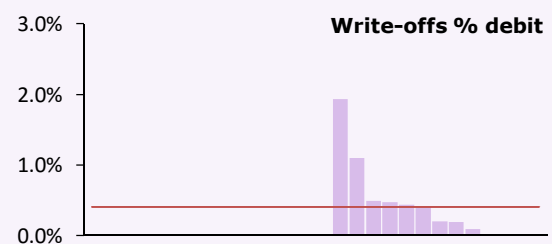
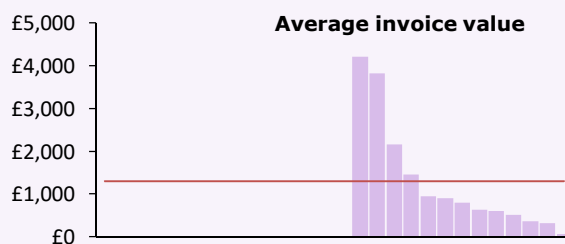
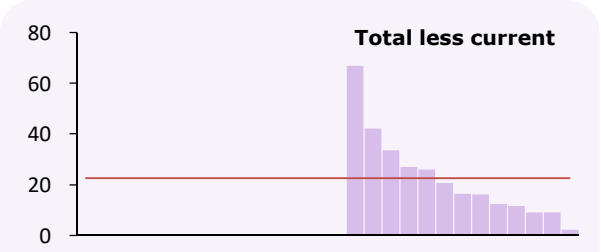
DEBTOR DAYS



Ground Rents & Service Charges	Your Authority	Avg
Debtor Days - Total less Current	na	52
Average Invoice Value	na	£1,118
Write-offs as % of debit	na	0.14%

Collection Performance - Other Periodics

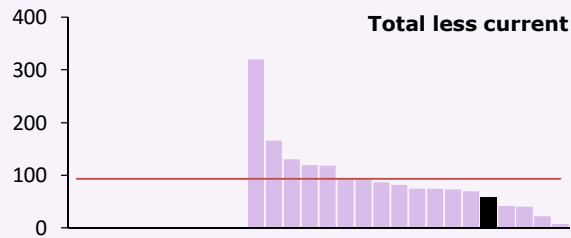
DEBTOR DAYS



Other Periodics	Your Authority	Avg
Debtor Days - Total less Current	na	23
Average Invoice Value	na	£1,290
Write-offs as % of debit	na	0.41%

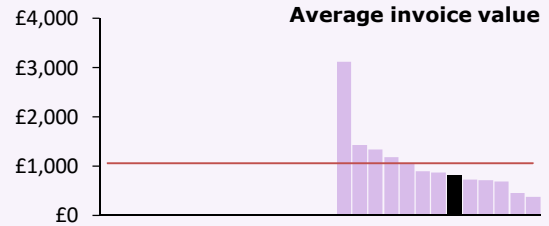
Collection Performance - Residential Care

DEBTOR DAYS

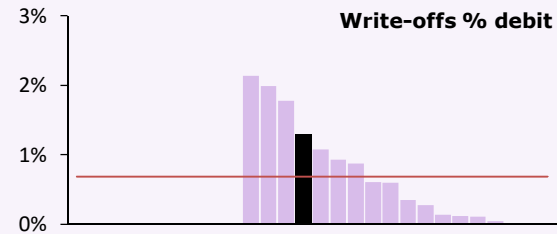


Residential Care	Your Authority	Avg
Debtor Days - Total less Current	57	93
Average Invoice Value	£822	£1,051
Write-offs as % of debit	1.29%	0.68%

Average invoice value

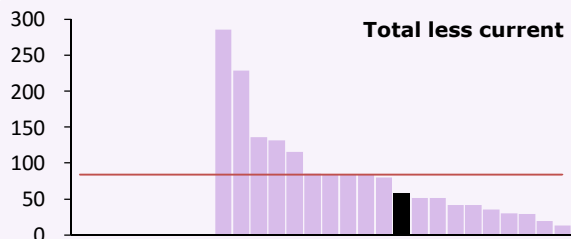


Write-offs % debit



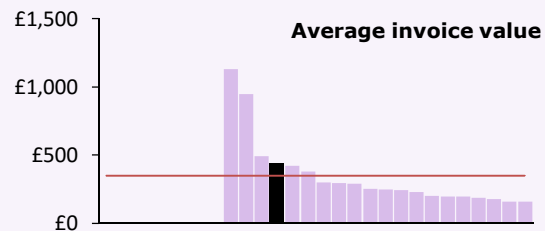
Collection Performance - Non-residential Care

DEBTOR DAYS

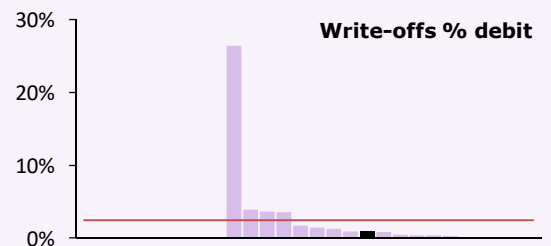


Non-residential Care	Your Authority	Avg
Debtor Days - Total less Current	57	84
Average Invoice Value	£441	£346
Write-offs as % of debit	0.90%	2.43%

Average invoice value

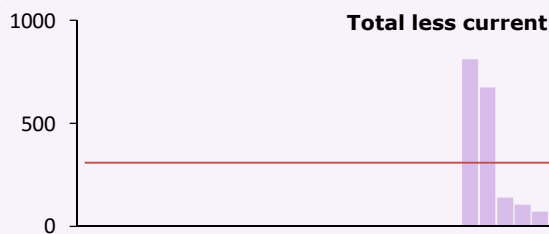


Write-offs % debit



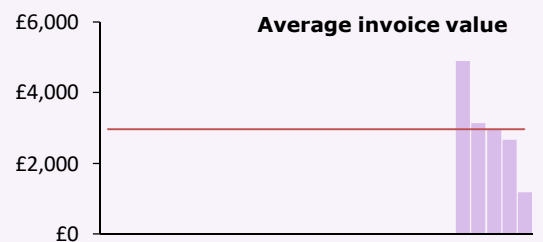
Collection Performance - Social Care Direct Payments

DEBTOR DAYS

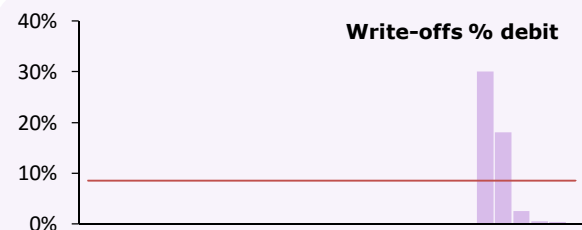


Social Care Direct Payments	Your Authority	Avg
Debtor Days - Total less Current	na	311
Average Invoice Value	na	£2,967
Write-offs as % of debit	na	8.55%

Average invoice value

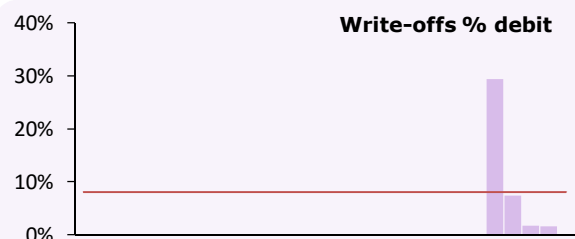
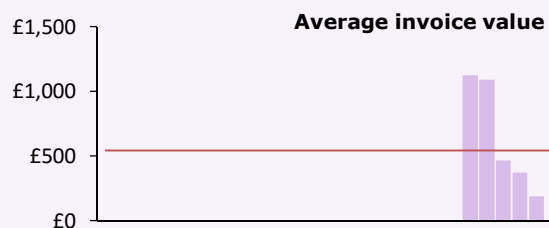
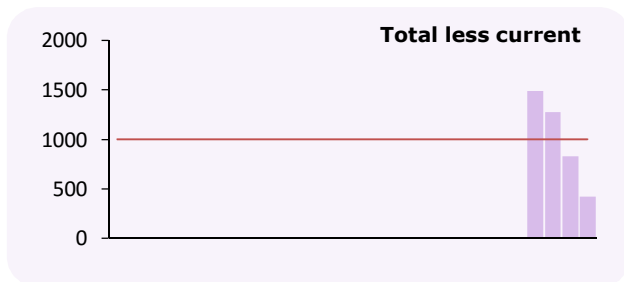


Write-offs % debit



Collection Performance - Benefit Overpayments

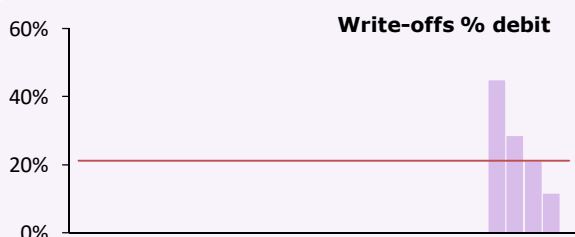
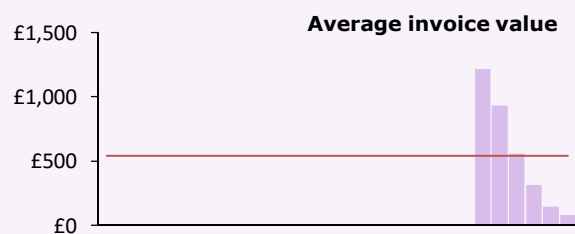
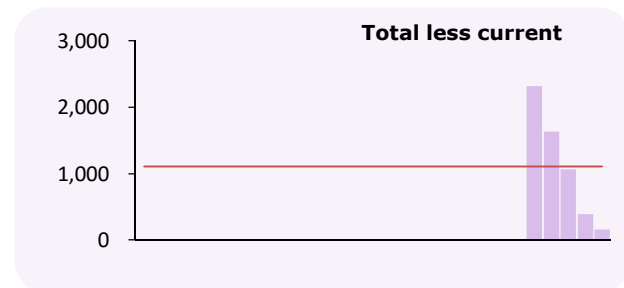
DEBTOR DAYS



Benefit Overpayments	Your Authority	Avg
Debtor Days - Total less Current	na	1,004
Average Invoice Value	na	£541
Write-offs as % of debit	na	8.04%

Collection Performance - Housing Recharges & FT Arrears

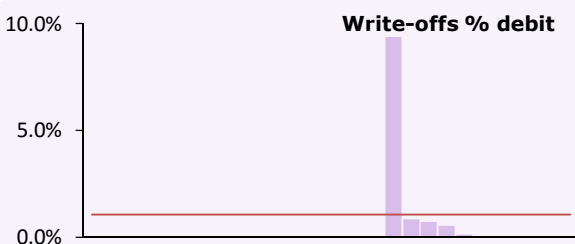
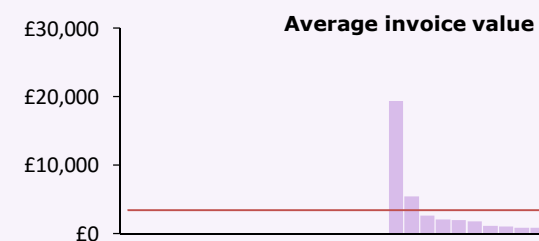
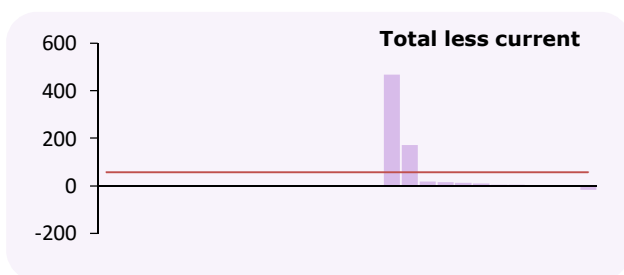
DEBTOR DAYS



Housing Recharges & FT Arrears	Your Authority	Avg
Debtor Days - Total less Current	na	1,110
Average Invoice Value	na	£541
Write-offs as % of debit	na	21.13%

Collection Performance - LA Schools

DEBTOR DAYS

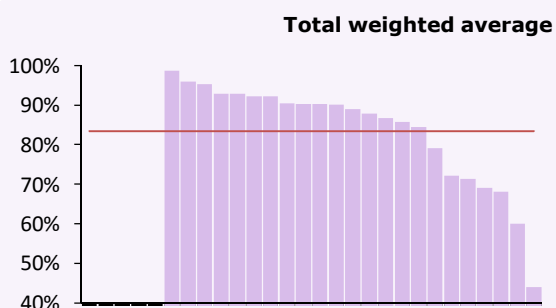
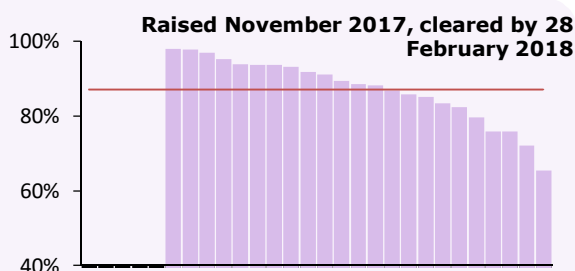
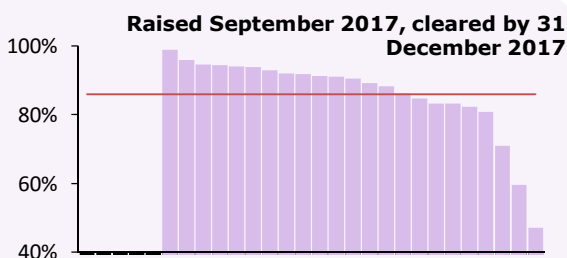
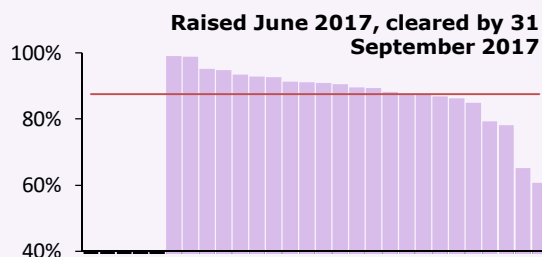
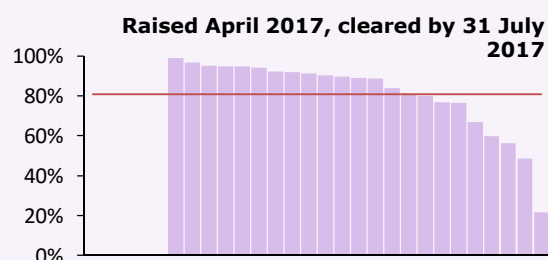


LA Schools	Your Authority	Avg
Debtor Days - Total less Current	na	58
Average Invoice Value	na	£3,342
Write-offs as % of debit	na	1.05%

Collection Performance - Percentage of Debts Cleared

% OF INVOICES CLEARED WITHIN 3 MONTHS

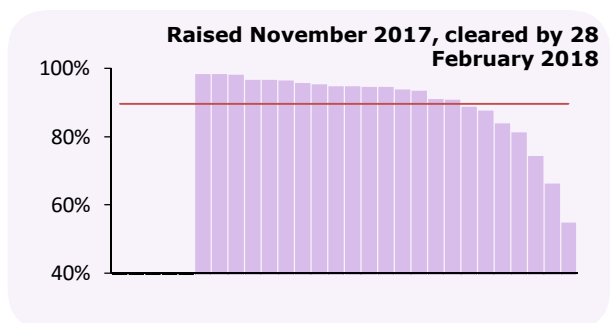
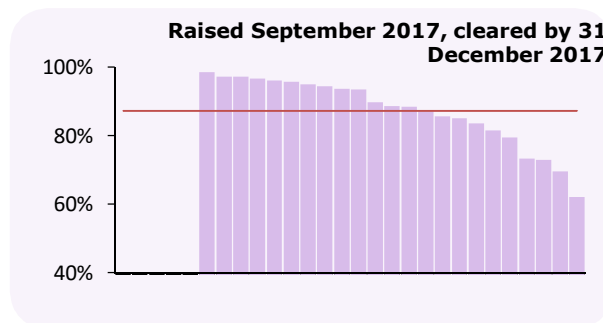
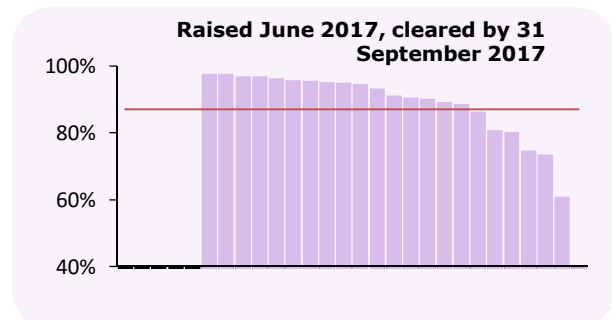
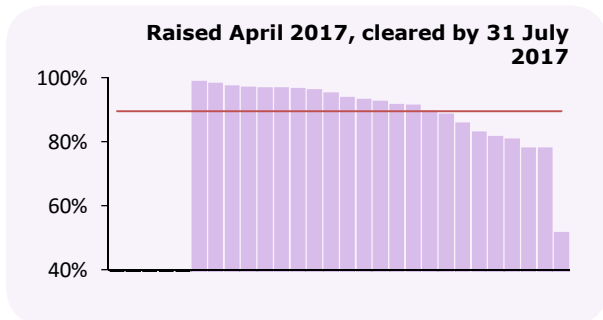
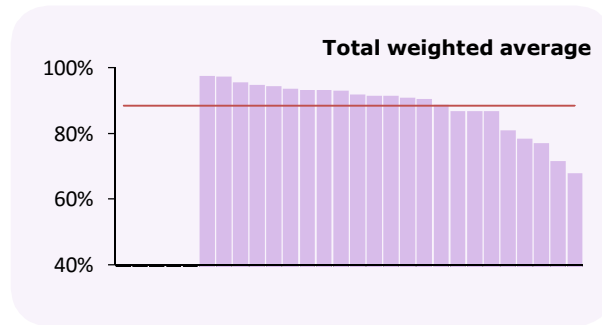
Debts raised/cleared - Invoices					
Raised	Cleared by	No. raised	No. cleared	% cleared	Avg
April 2017	31 July 2017	..	..	na	81%
June 2017	31 September 2017	..	..	na	88%
September 2017	31 December 2017	..	..	na	86%
November 2017	28 February 2018	..	..	na	87%
Weighted average				na	83%



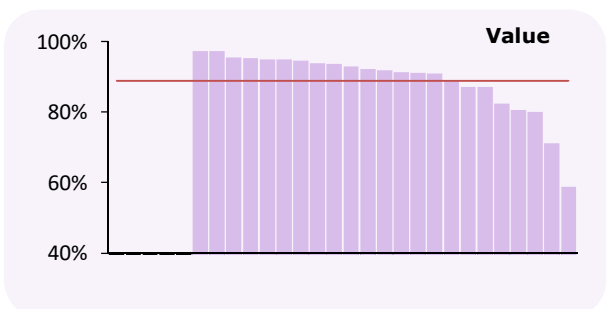
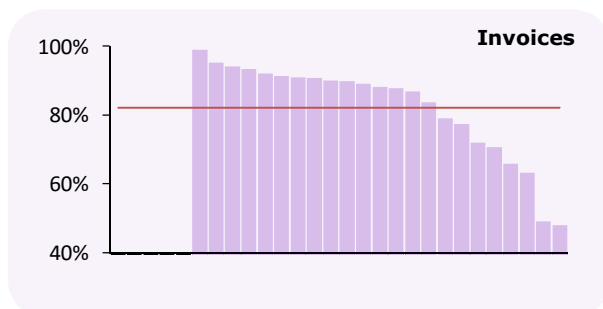
Collection Performance - Percentage of Debts Cleared

% OF DEBT RAISED CLEARED WITHIN 3 MONTHS

Debts raised/cleared - Value					
Raised	Cleared by	£'k raised	£'k cleared	% cleared	Avg
April 2017	31 July 2017	..	..	na	89%
June 2017	31 September 2017	..	..	na	87%
September 2017	31 December 2017	..	..	na	87%
November 2017	28 February 2018	..	..	na	90%
Weighted average				na	88%



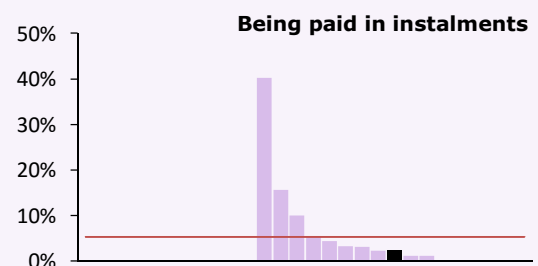
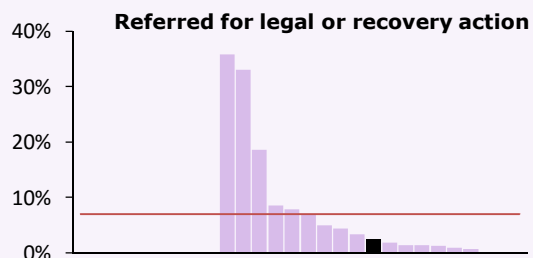
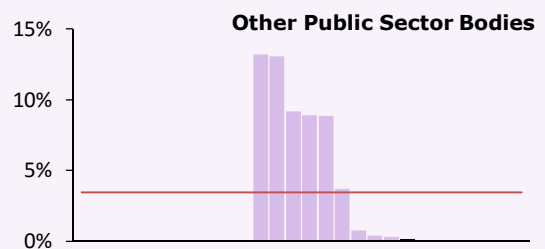
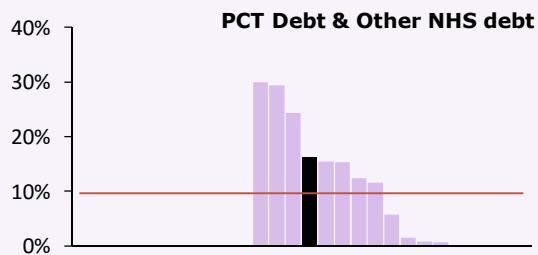
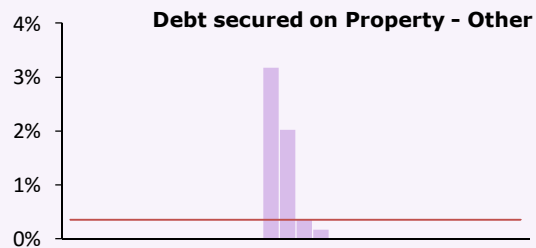
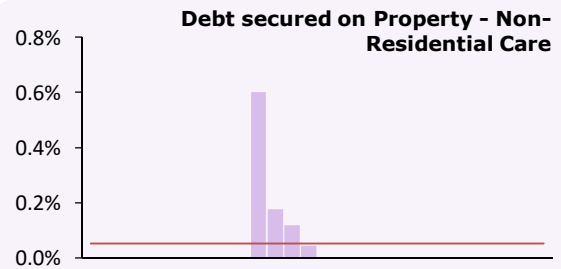
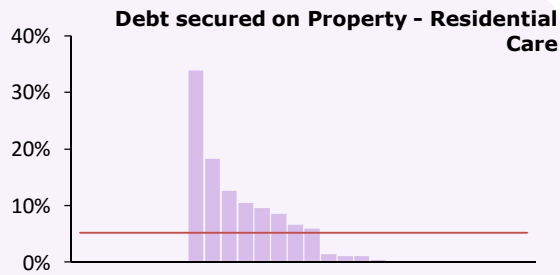
% OF DEBT RAISED CLEARED WITHIN 3 MONTHS (Raised April - September 2017)



April - September 2017 - Invoices				April - September 2017 - Value			
No. raised	No. cleared	% cleared	Avg	£'k raised	£'k cleared	% cleared	Avg
..	..	na	82%	..	..	na	89%

Collection Performance - Percentage of Debts Cleared

TYPES OF DEBT OUTSTANDING AS A % TOTAL OUTSTANDING DEBT

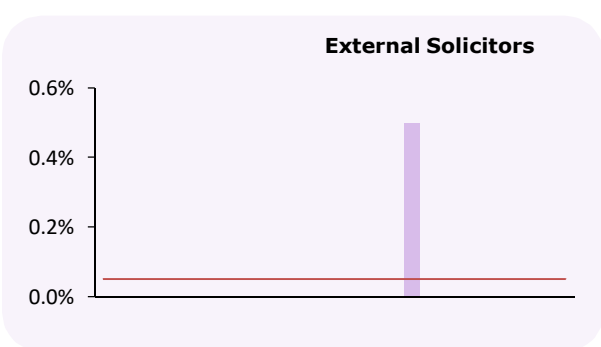
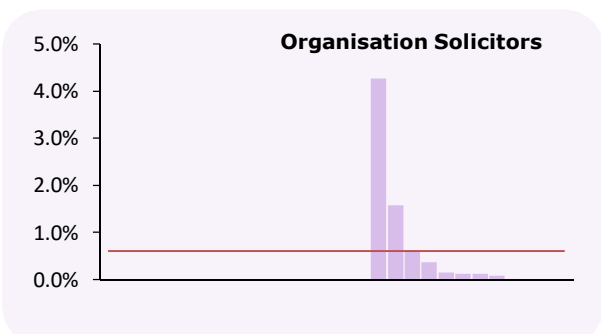
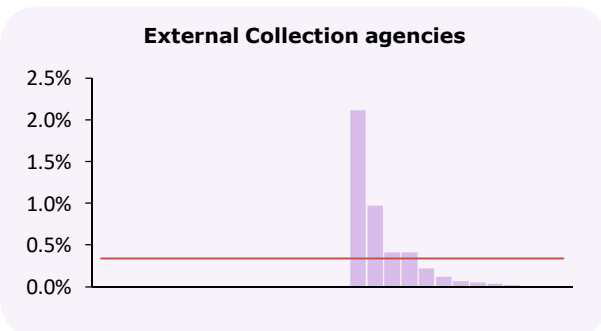
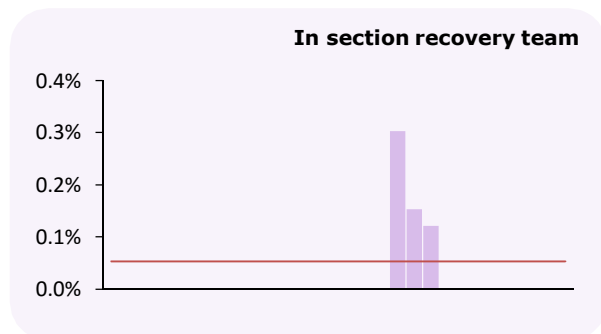


Debt outstanding

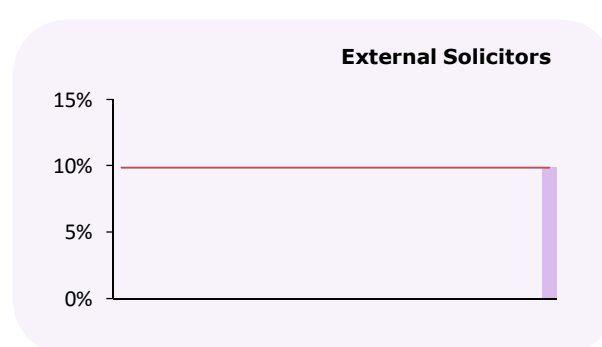
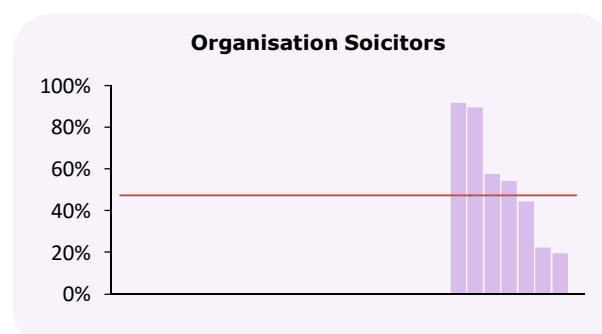
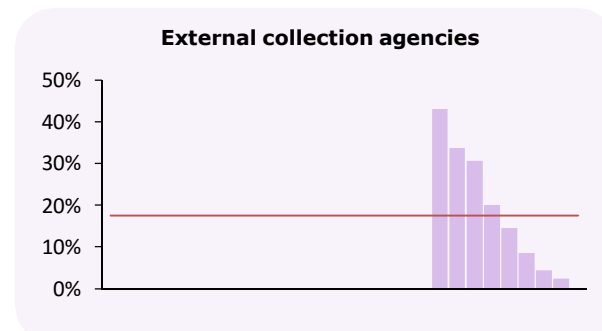
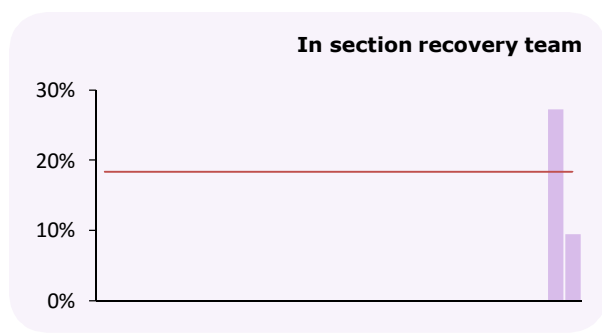
	£'000	% total	Avg
Debt secured on property			
Residential care	62	0.2%	5.2%
Non-residential care	-	0.0%	0.1%
Other	na	na	0.4%
Public sector/utilities debt			
PCT debt & Other NHS debt	6,106	16.3%	9.6%
Other public sector bodies	54	0.1%	3.4%
Recovery status			
Referred for legal or recovery action	901	2.4%	7.0%
Being paid by instalments	864	2.3%	5.2%

Collection Performance - Debt Subject to Further Action

REFERRALS AS A PERCENTAGE OF DEBIT



CLAIMS/PETITIONS TO COURT - RECOVERY AS % REFERRED

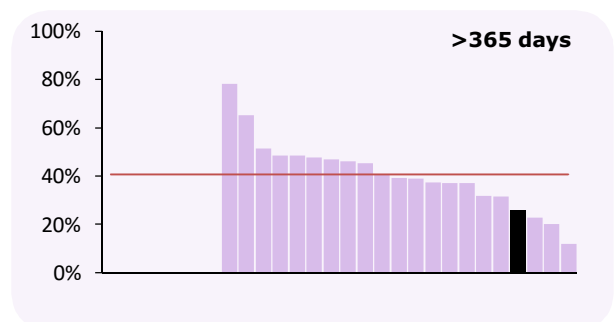
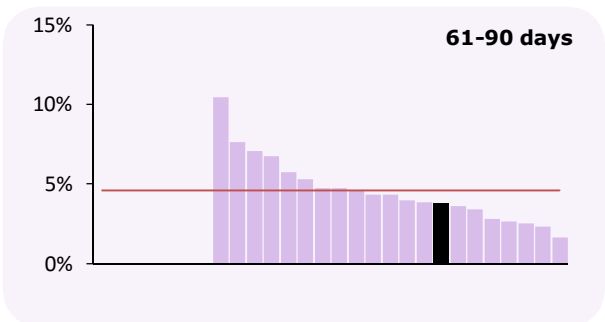
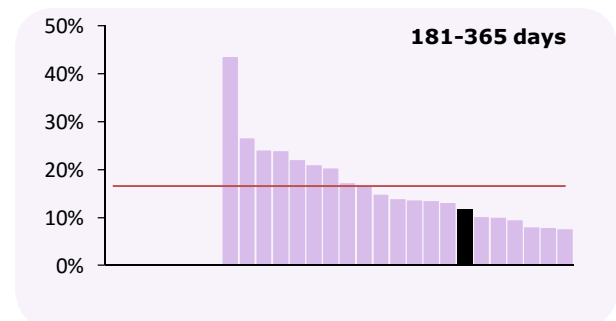
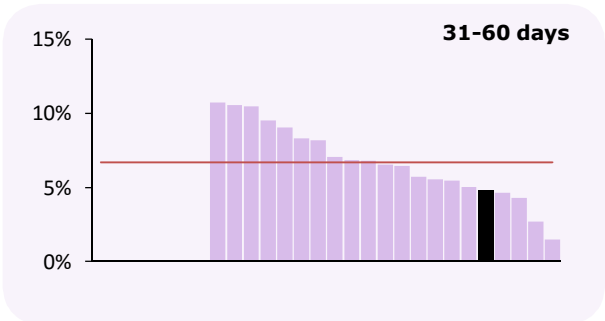
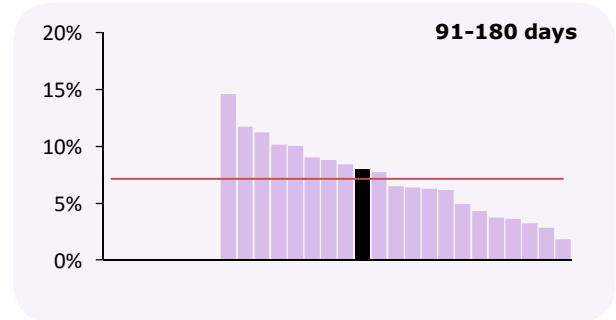
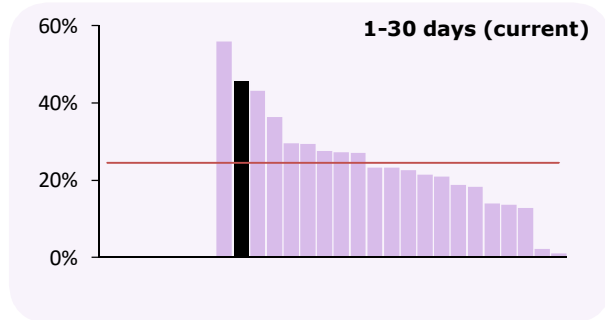


Referrals	No.	£'000	% debit	Avg
In section recovery team	na	na	na	0.1%
External collection agencies	na	na	na	0.3%
Organisation solicitors	na	na	na	0.6%
External solicitors	na	na	na	0.0%
Total	-	-	na	0.9%

Court recovery	No.	£'000	% recovered	Avg
In section recovery team	na	na	na	18%
External collection agencies	na	na	na	17%
Organisation solicitors	na	na	na	47%
External solicitors	na	na	na	10%
Total	-	-	na	35%

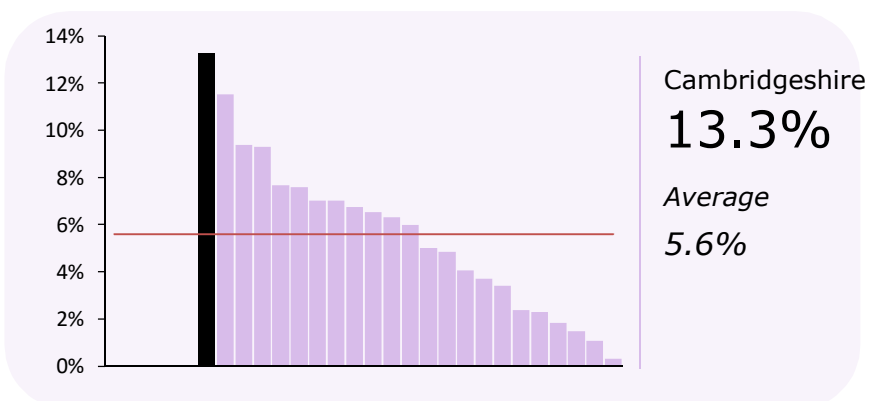
Collection Performance - Outstanding Invoices

PERCENTAGE OF OUTSTANDING INVOICES BY AGE



Outstanding invoices by age							
	Total	1-30 days (current)	31-60 days	61-90 days	91-180 days	181-365 days	>365 days
Invoices	15,674	7,148	751	600	1,260	1,836	4,079
% of total		46%	5%	4%	8%	12%	26%
Avg		24%	7%	5%	7%	17%	41%

Collection Performance - Credit Notes as % of Debit

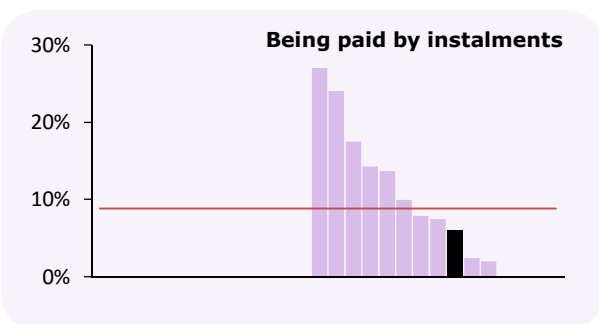
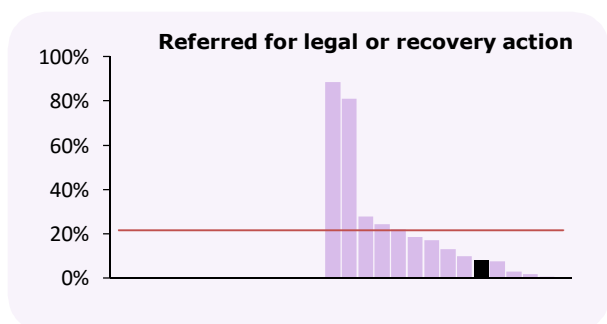
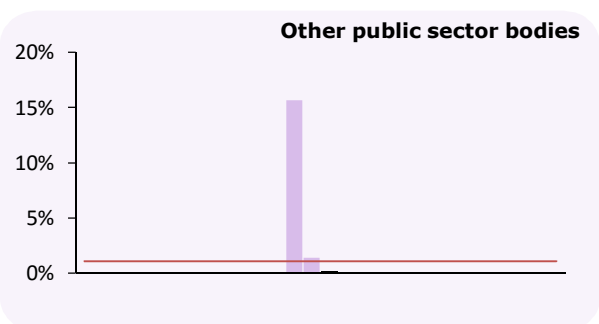
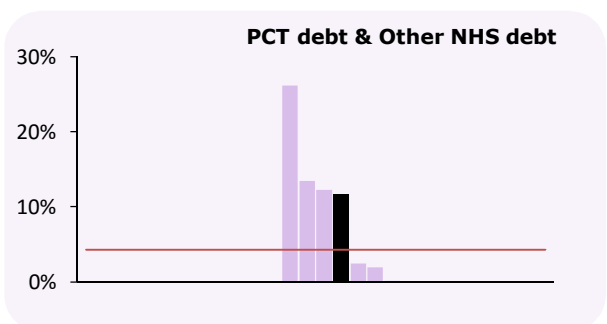
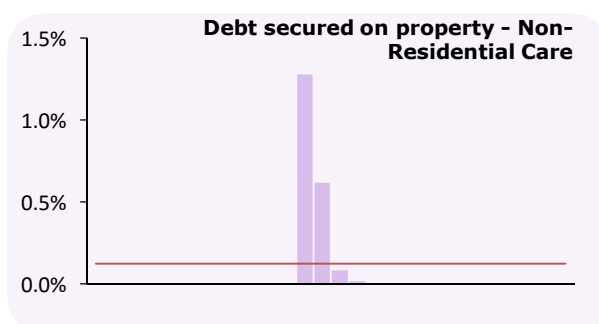


Credit notes (Sundry debtors)			
Number	£'000	% debit*	Avg
1,675	45,546	13.3%	5.6%

* Net debit + value credited

Collection Performance - Very Old Debts (>365 days)

TYPES OF OLD DEBT AS % OF DEBT > 365 DAYS OLD



Value of debts > 365 days			
	£'000	%	Avg
Debt secured on property			
Residential care	40	1.4%	9.8%
Non-residential care	0	0.0%	0.1%
Other	na	na	1.5%
Public sector/utilities debt			
PCT debt & Other NHS debt	339	11.7%	4.3%
Other public sector bodies	5	0.2%	1.1%
Recovery Status			
Referred for legal or recovery action	223	7.7%	21.5%
Being paid by instalments	172	5.9%	8.8%
Total	2,909		

SECTION 3 - COST PERFORMANCE

This section looks at what it costs to collect the debt.

The performance measures used are cost/invoice and cost/£'000 debt raised. The timeseries graphs show the change in performance over time. On these graphs, the crosses show the specific authority values and the dotted line plots the path of the average.

Cost/Invoice

This compares your cost/invoice with the average for the group - these are unweighted averages, ignoring missing data. (The use of unweighted averages and the incidence of missing data means that connected sets of average figures do not always exactly reconcile). Your original data from which these unit costs are derived is also shown. The report goes on to show the values for each member of the group.

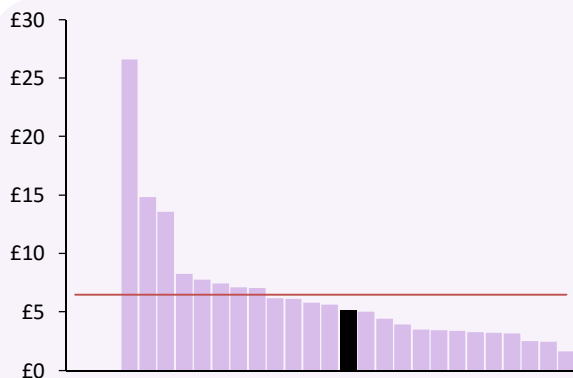
It is important to recognise that cost comparisons must be interpreted in light of collection performance - an increase in cost/invoice could be a good investment if it resulted in an increase in collection rates.

Cost/£'000 of Debt Raised

This gives a measure of the proportion of income taken up by the collection process. It is shown together with average invoice value. Where average invoice value is low and cost/£'000 of debt raised is high, it is an indication that a lot of low value invoices are being processed for which there may be better methods of collection.

Cost Performance - Summary

COST PER INVOICE 2017/18

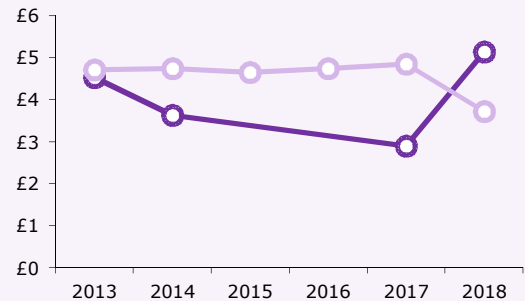


Cambridgeshire Average
£5.13 £6.45

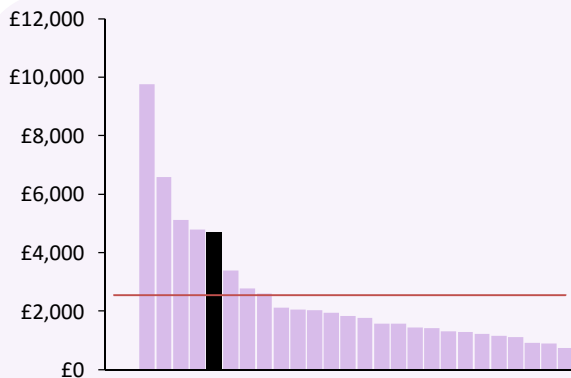
KEY:

- Club average
- Cambridgeshire

Cost per invoice

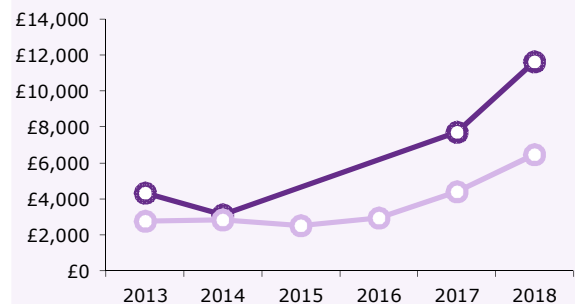


AVERAGE INVOICE VALUE 2017/18

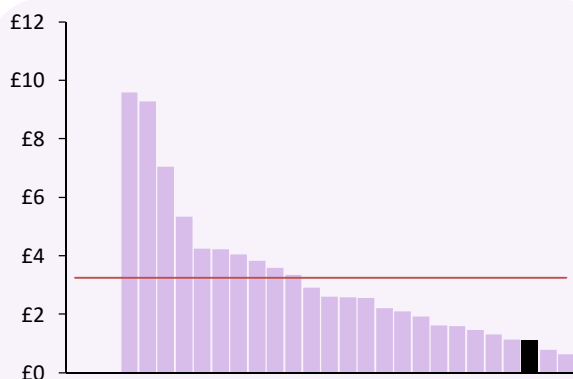


Cambridgeshire Average
£4,675 £2,540

Avg invoice value (sundry debtors)

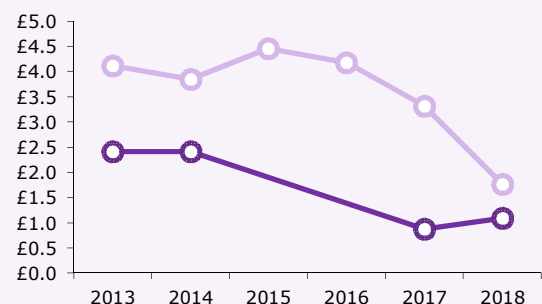


COST/£'000 DEBIT RAISED 2017/18*



Cambridgeshire Average
£1.10 £3.24

Cost/£'000 debit



*Cost/debit = Cost/Invoice / Average Invoice Value

Cost Performance - Cost Per Invoice

AVERAGE INVOICE VALUE

£4,675

Avg: £2,540

NET DEBIT RAISED (£'000)

£297,110

Avg: £152,292

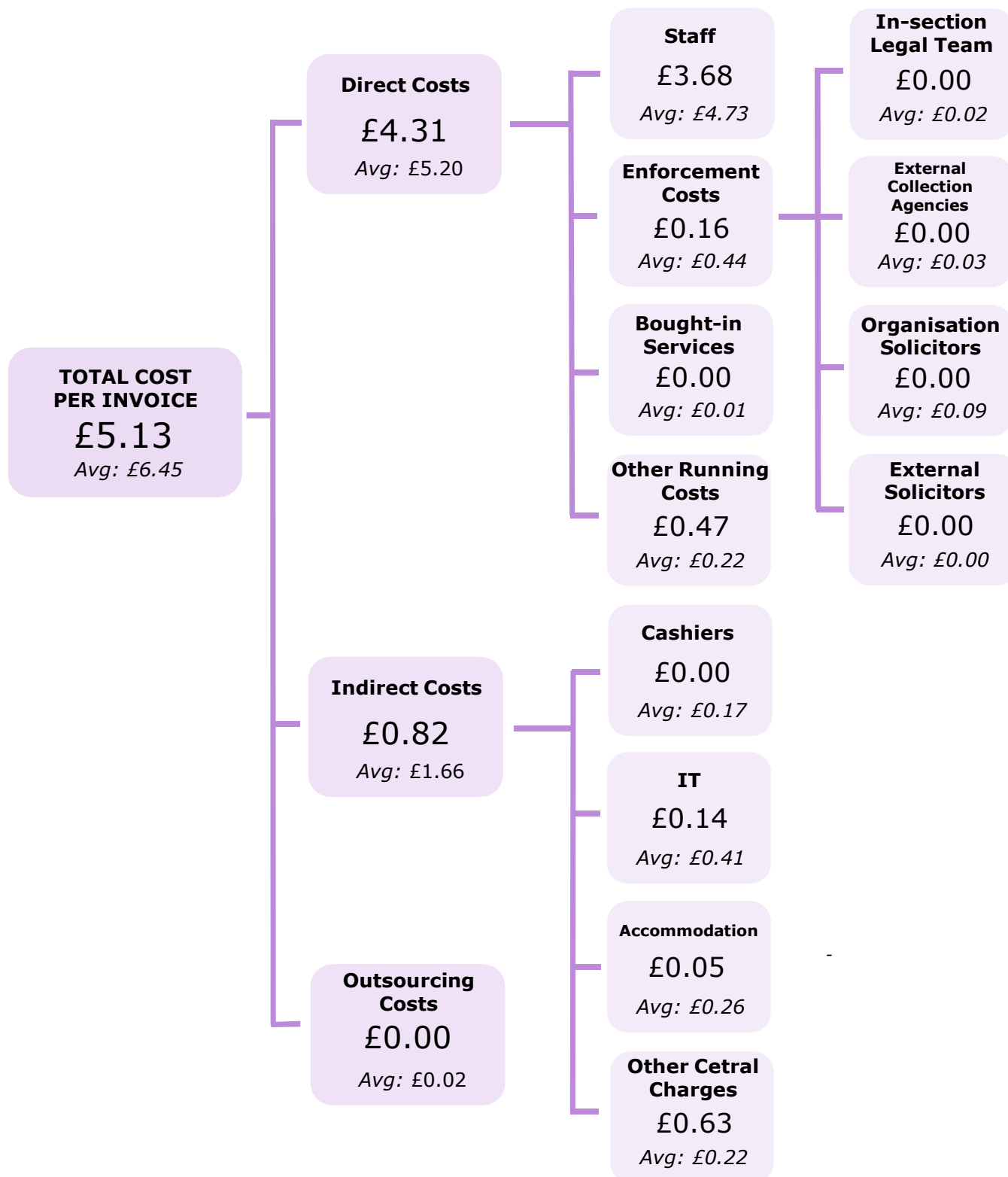
COST PER £'000 DEBIT

£1.10

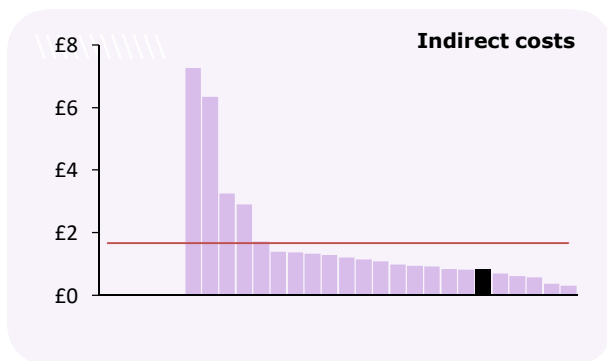
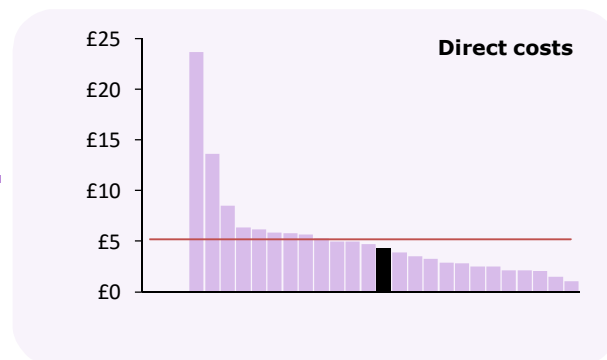
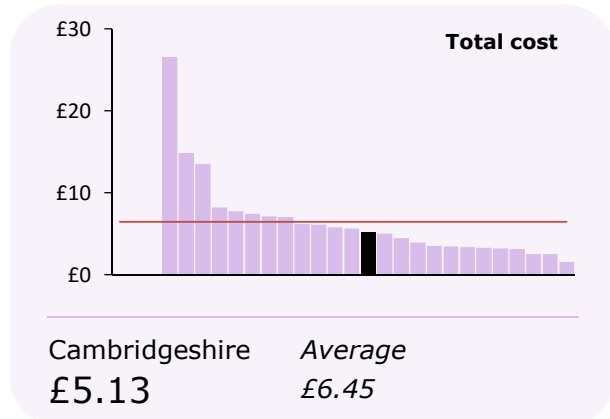
Avg: £3.24

COST/INVOICE TREE

This tree diagram analyses the cost per invoice. For each benchmark two figures are given, the first being the authority's cost and the second being the group average. The breakdown of enforcement costs shows the averages for authorities supplying data, and does not therefore reconcile to the average for total enforcement costs.



Cost Performance - Cost Per Invoice



Costs (£'000)

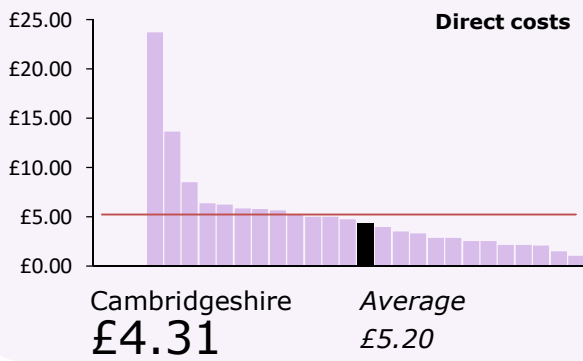
	Debtors section	Non-core costs	Local costs	Benchmark cost	Cost per invoice	Avg.
Staff	234	-	-	234	3.68	4.73
Enforcement costs	10	-	-	10	0.16	0.44
Bought-in services	-	-	-	-	-	0.01
Other running costs	30	-	-	30	0.47	0.22
Total Direct Cost	274	-	-	274	4.31	5.20
Cashiers	-	-	-	-	-	0.17
IT	9	-	-	9	0.14	0.41
Accommodation	3	-	-	3	0.05	0.26
Other central charges	40	-	-	40	0.63	1.11
Total Indirect Cost	52	-	-	52	0.82	1.66
Outsourcing costs	-	-	-	-	-	0.02
Total cost	326	-	-	326	5.13	6.45

FTE staff 9.6 - - 9.6

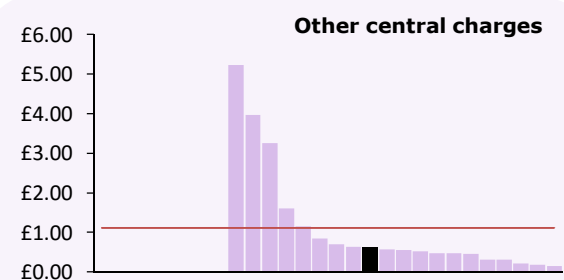
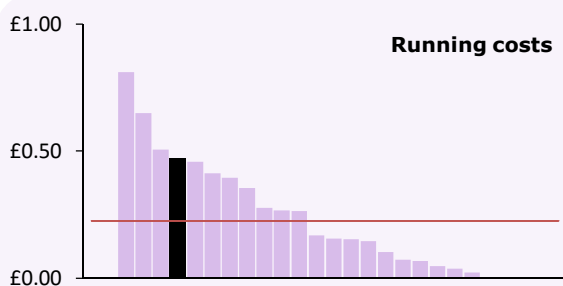
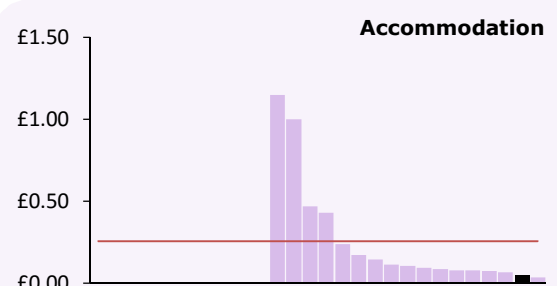
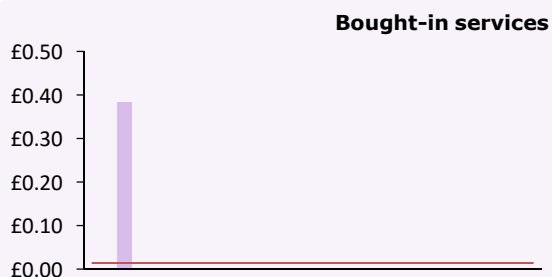
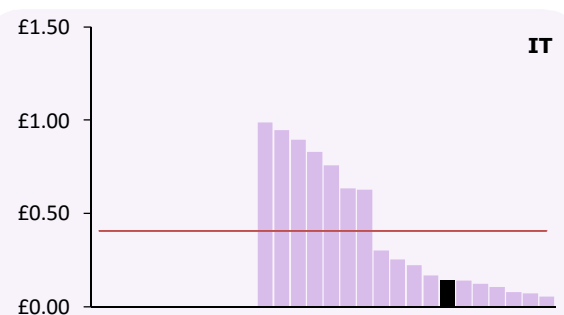
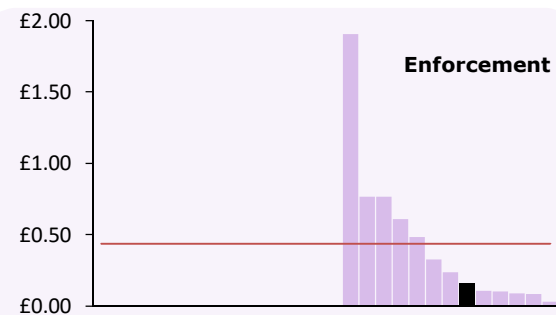
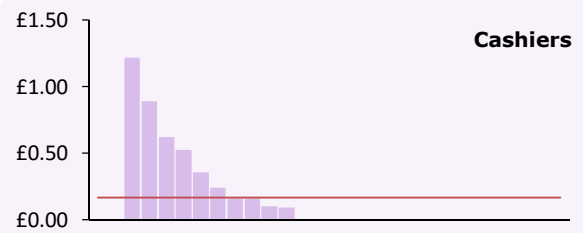
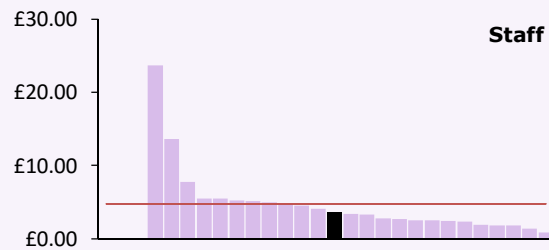
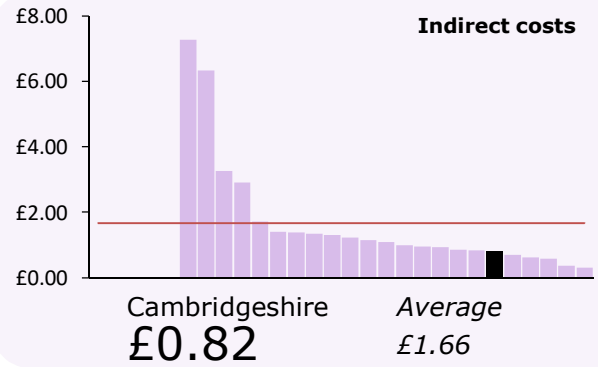
	Own	Other bodies	Total
Number of invoices	63,557	-	63,557
Total debit raised (£'000)	297,110	-	297,110
Total Cost (£'000)	326	-	326

Cost Performance Per Invoice

DIRECT COSTS PER INVOICE:

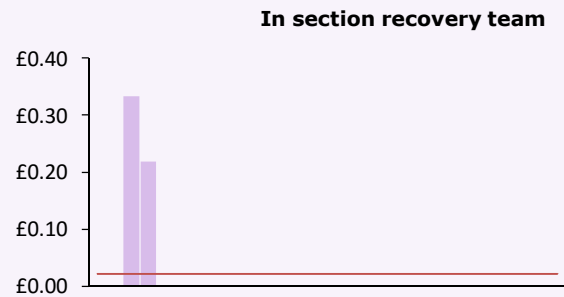
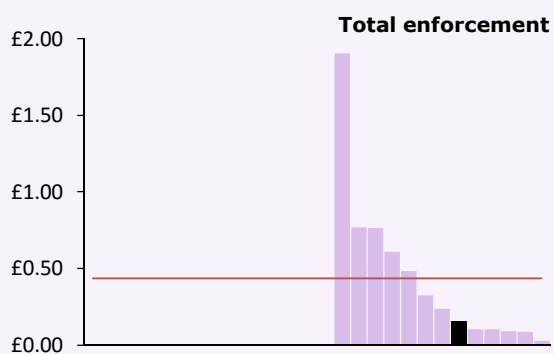


INDIRECT COSTS PER INVOICE:

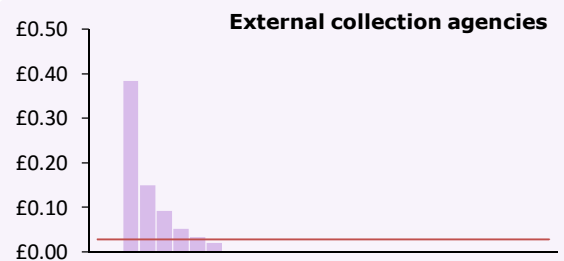


Cost Performance - Enforcement Costs Per Invoice Analysis

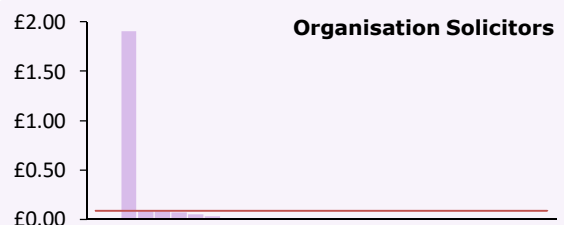
Enforcement costs	£'000	£/Invoice	Avg
In-section recovery team	na	£0.00	£0.02
External collection agencies	na	£0.00	£0.03
Organisation solicitors	na	£0.00	£0.09
External solicitors	na	£0.00	£0.00
Total	10.0	£0.16	£0.44



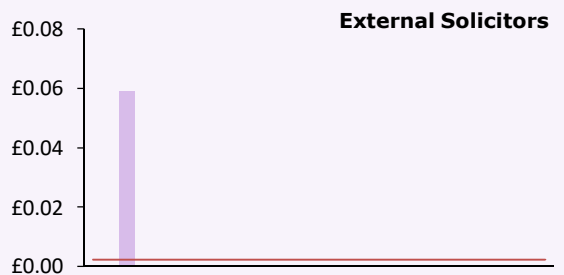
Cambridgeshire	Average
£0.00	£0.02



Cambridgeshire	Average
£0.00	£0.03



Cambridgeshire	Average
£0.00	£0.09



Cambridgeshire	Average
£0.00	£0.00

SECTION 4 - INVOICE STATISTICS

The main areas covered in this section are:

Percentage of invoices raised by type of debt

This breaks down the number of invoices issued by category of debt (e.g. ground rents, residential care etc). As some categories are more difficult to collect than others, a high proportion of difficult debt could result in a higher cost/invoice. Higher than average levels of benefit overpayments and former tenants arrears may result from process problems in those areas.

Threshold Values

The value below which invoices are not raised and the values for automatic write-off after system reminders and write-offs approved by officers.

Payment Methods

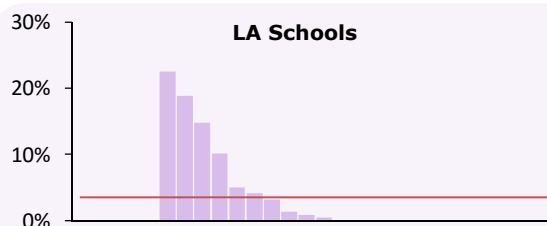
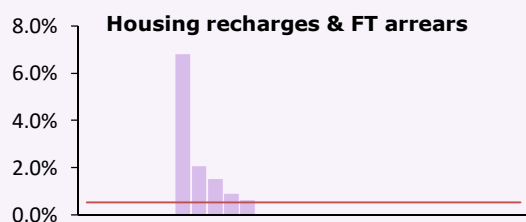
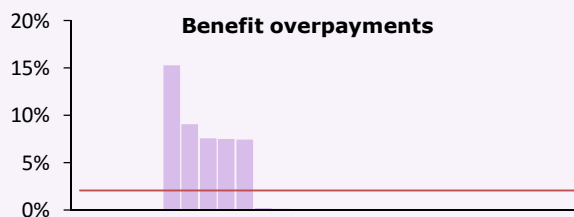
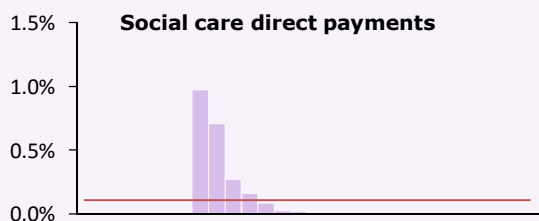
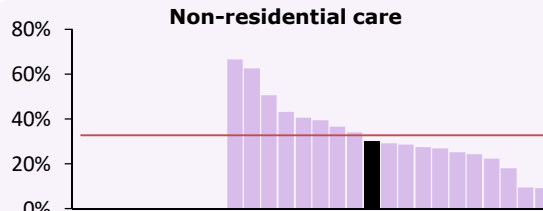
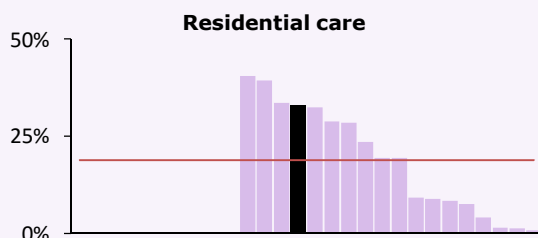
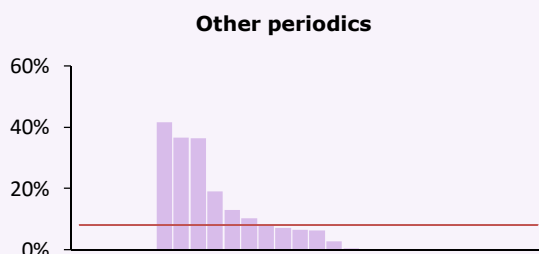
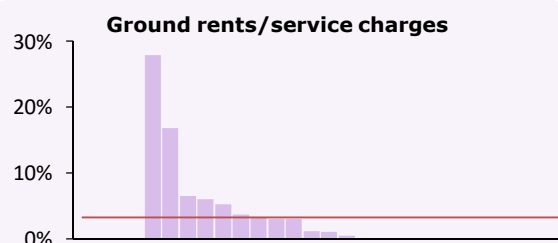
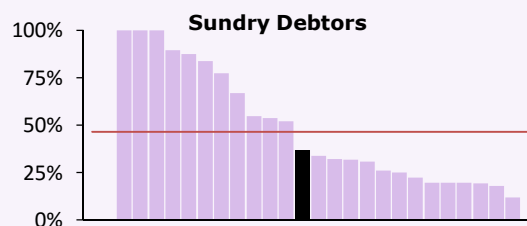
This is useful information and gives an indication of how BACS, direct debit, internet and automated phone payments are being established alongside more traditional payment methods.

Invoice Statistics - % of Invoices by Type of Debt

Invoices by type of debt

	No.	%	Avg*
Sundry debtors	23,371	36.8%	46.6%
Ground rents/service charge	-	0%	3.2%
Other periodics	-	0%	8.2%
Residential care	20,958	33%	18.9%
Non-residential care	19,228	30%	32.7%
Social care direct payments	-	0%	na
Benefit overpayments	-	0.0%	na
Housing recharges & FT arrears	-	0%	na
LA schools	-	0%	3.5%
Other	-	0%	na
Work for other bodies	-	0.0%	0.2%
Total all invoices	63,557		

*Please note that the average column only includes authorities that raise those types of invoices, and authorities that do not are excluded. This is why the column may sum to a number greater than 100%.



Invoice Statistics - Payment Types

Method of Payment

	Number	%	Avg
Cash & Cheque	na	na	57.4%
Card payments			
- Credit Card	na	na	11.5%
- Debit Card	na	na	33.4%

Total

-

Ways to Pay

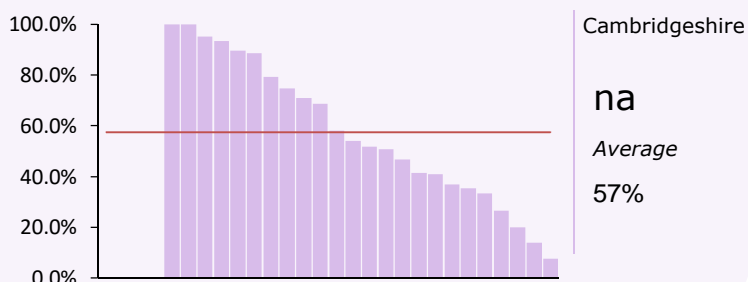
	Number	%	Avg
Automated telephone	na	na	8.1%
Direct debit	na	na	41.8%
Payment outlets	na	na	10.8%
Internet payments	na	na	7.6%
Bank credits	na	na	29.2%
Other	na	na	9.6%

Total

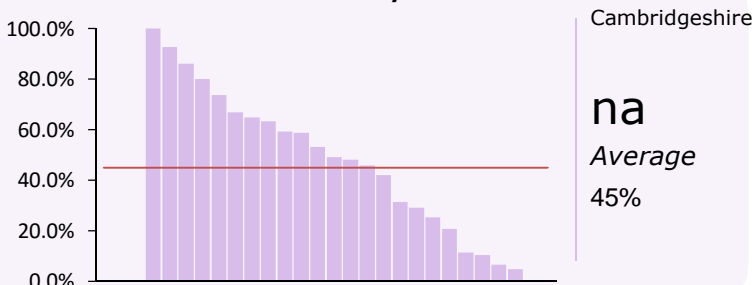
-

METHOD OF PAYMENT:

Cash & Cheque

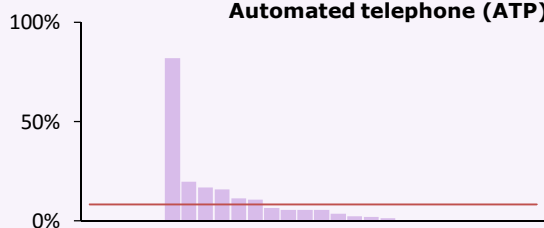


Card Payments Subtotal

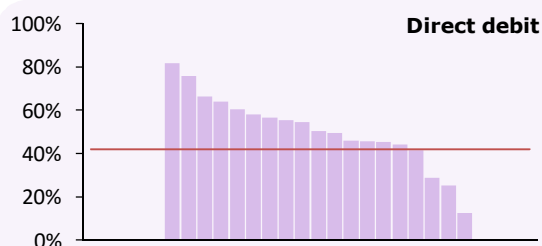


WAYS TO PAY:

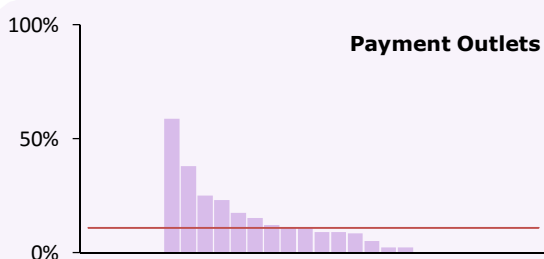
Automated telephone (ATP)



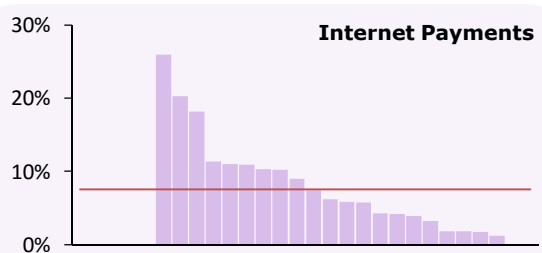
Direct debit



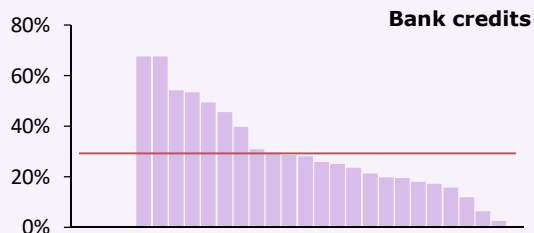
Payment Outlets



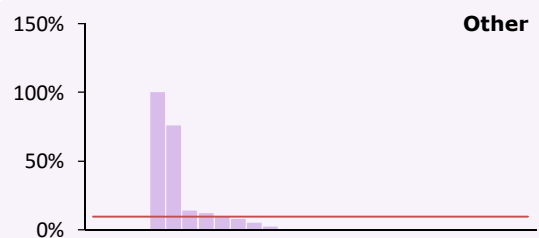
Internet Payments



Bank credits



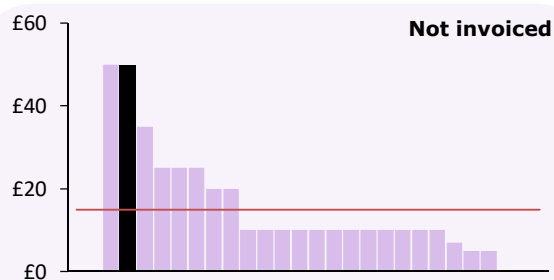
Other



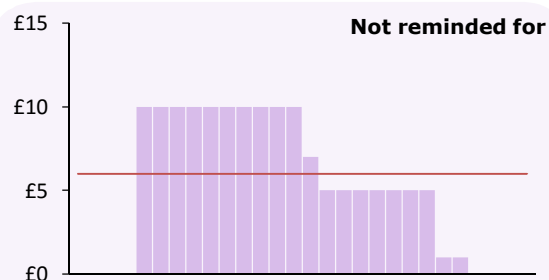
Invoice Statistics - Action Thresholds

VALUE BELOW WHICH DEBTS ARE:

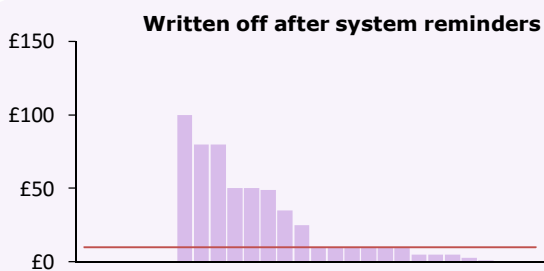
Action Thresholds		
	£	Avg
Not invoiced	£50	£15
Not reminded for	£0	£6
Written off after system reminders	£0	£10
Written off by officers	£25,000	£10,000



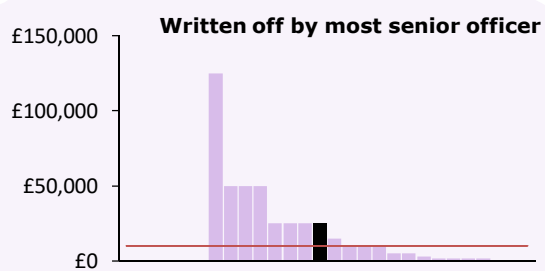
Cambridgeshire *Average*
£50 *£15*



Cambridgeshire *Average*
£0 *£6*



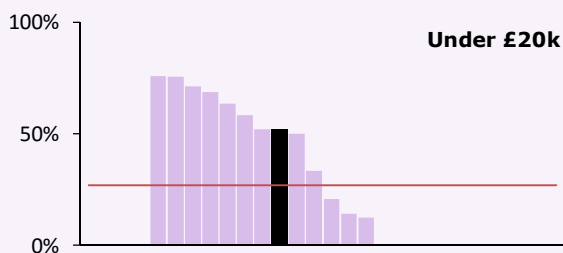
Cambridgeshire *Average*
£0 *£10*



Cambridgeshire *Average*
£25,000 *£10,000*

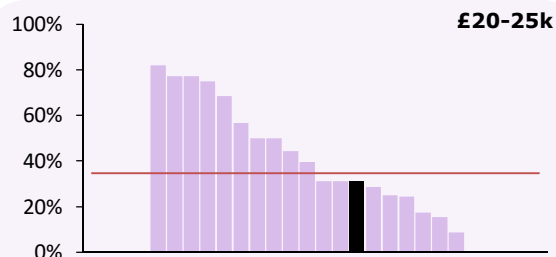
SECTION 5 - STAFFING STATISTICS

STAFF - PAY BY BAND



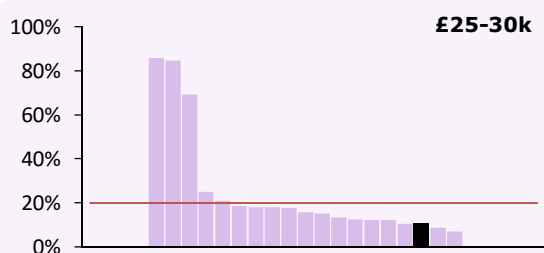
Cambridgeshire
52%

Average
27%



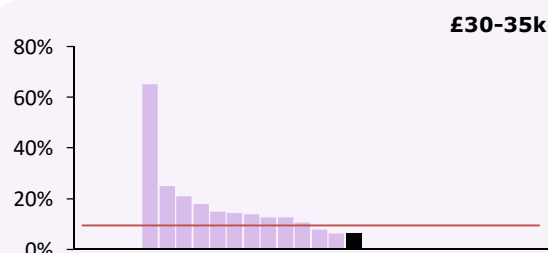
Cambridgeshire
31%

Average
35%



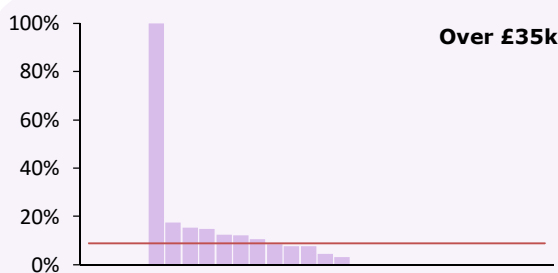
Cambridgeshire
10%

Average
20%



Cambridgeshire
6%

Average
9%



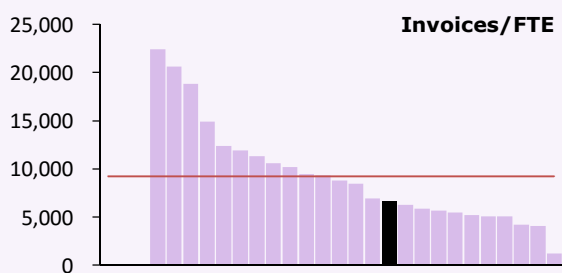
Cambridgeshire
0%

Average
9%

Staff by pay band

	FTE	%	Avg
Over £35k	-	0%	9%
£30-35k	0.6	6%	9%
£25-30k	1.0	10%	20%
£20-25k	3.0	31%	35%
Under 20k	5.0	52%	27%
Total	9.6		

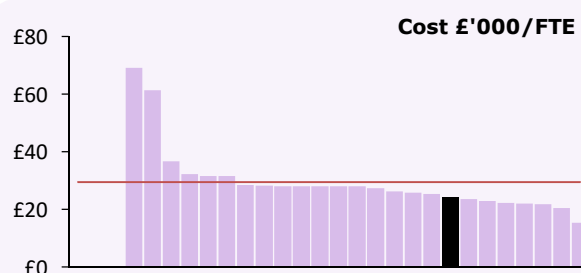
STAFF - INVOICES/FTE



Cambridgeshire
6,621

Average
9,248

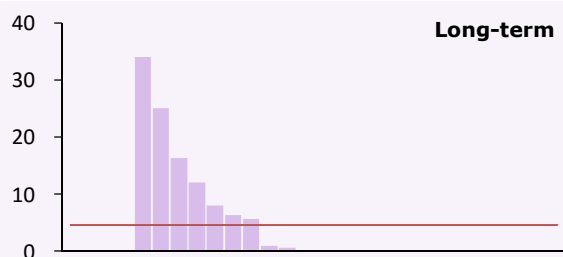
STAFF - COST £'000/FTE



Cambridgeshire
£24.38

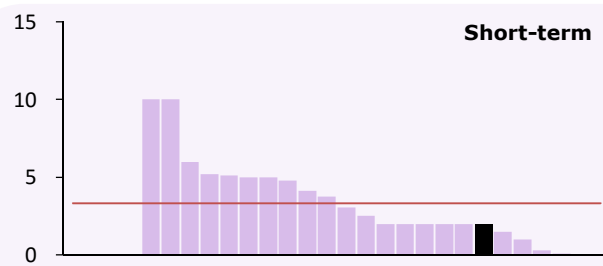
Average
£29.57

STAFF SICKNESS - LOST DAYS PER FTE EMPLOYEE



Cambridgeshire
0.0

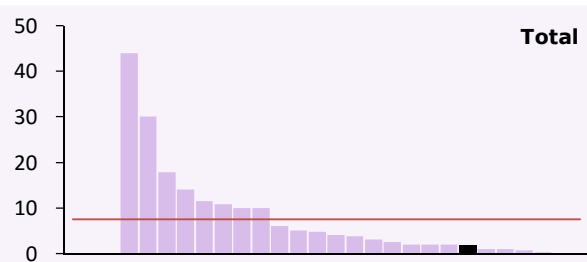
Average
4.5



Cambridgeshire
2.0

Average
3.3

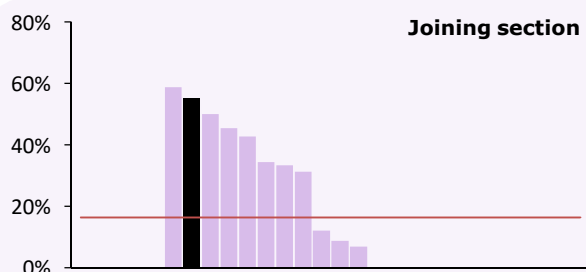
Lost days per annum (per FTE)		
	Days	Avg
Long-term sickness	-	4.5
Short-term sickness	2.0	3.3
Total sickness	2.0	7.5



Cambridgeshire
2.0

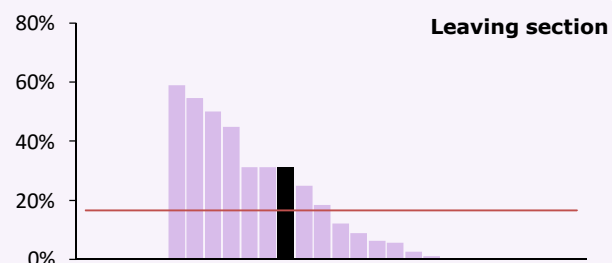
Average
7.5

STAFF TURNOVER



Cambridgeshire
55.2%

Average
16.5%



Cambridgeshire
31.3%

Average
16.6%

Staff turnover	FTE	%	Avg.
Staff at 31 March 2017	7.3		
Staff joining the debtors section	5.3	55.2%	16.5%
Staff leaving the debtors section	3.0	31.3%	16.6%
Staff at 31 March 2018	9.6		

SECTION 6 - TIMESERIES ANALYSIS

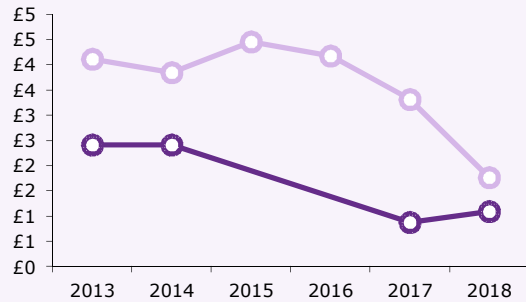
The 2017-18 averages are the actual club averages.

For previous years, the averages shown here are scaled up or down from the 2018 figure based on the average rate of change in each year. This is calculated using data from members who supplied figures in consecutive years, otherwise the simple average in each year would be distorted by changes in the composition of the club from year to year.

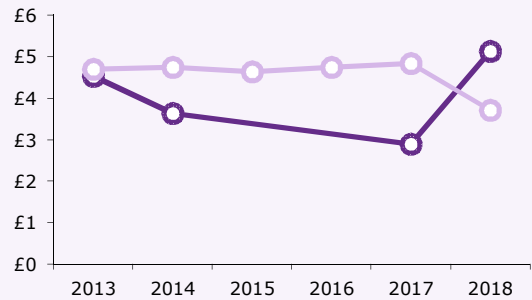
KEY:

- Club average
- Cambridgeshire

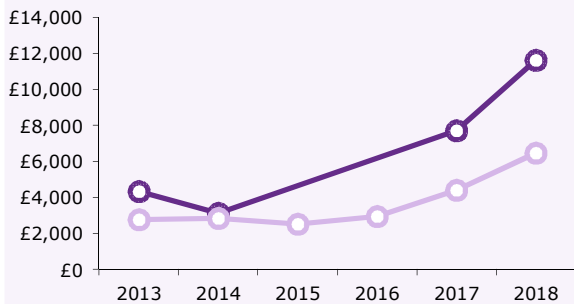
Cost/£'000 debit



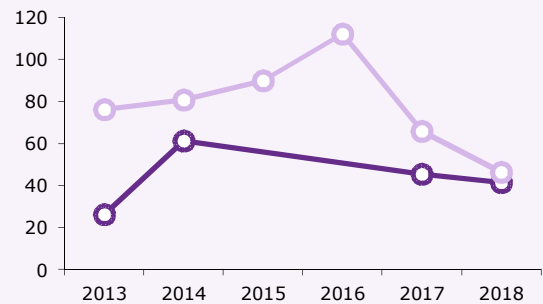
Cost per invoice



Avg invoice value (sundry debtors)



Days debt (sundry debtors)



Timeseries analysis

	2013	2014	2015	2016	2017	2018
Cost (£'000)	295	259	..	..	200	326
Invoices	65,150	71,428	..	..	69,320	63,557
Debit (£million)	122	107	..	..	229	297

Cost/Invoice	£4.53	£3.63	..	..	£2.89	£5.13
<i>Average</i>	£4.70	£4.74	£4.64	£4.74	£4.84	£3.72

Avg invoice value*	£4,321	£3,121	..	..	£7,703	£11,613
<i>Average</i>	£2,784	£2,852	£2,533	£2,966	£4,392	£6,458

Cost per £'000 debit	£2.41	£2.41	..	..	£0.87	£1.10
<i>Average</i>	£4.12	£3.85	£4.45	£4.18	£3.32	£1.77

Days debt*	26	61	..	..	45	42
<i>Average</i>	76	81	90	112	66	46

* Sundry debtors

SECTION 7 - QUARTILE FIGURES

Number of authorities supplying data = 28

Quartile figures for cost per invoice should be treated with particular caution since they take no account of the workload mix in terms of easy and difficult invoices, which can vary very significantly between authorities.

Quartile figures					
	Authority	Average	Lower quartile	Median	Upper quartile
Cost per invoice (2017/18)	£5.13	£6.45	£3.38	£5.13	£7.11
Sundry debtors					
Days debt	42	59	40	51	67
Days debt > 90 days	5	14	8	11	17
Ground rents & charges					
Days debt	na	76	32	54	107
Days debt > 90 days	na	55	15	32	64
Other periodics					
Days debt	na	70	30	49	96
Days debt > 90 days	na	18	9	13	19
Residential care (counties & unitaries)					
Days debt	95	134	82	102	158
Days debt > 90 days	49	84	52	68	108
Non-residential care (counties & unitaries)					
Days debt	95	100	55	90	117
Days debt > 90 days	49	69	29	46	84
Social care direct payments					
Days debt	na	362	119	147	571
Days debt > 90 days	na	216	61	100	137
Benefit overpayments (unitaries & districts)					
Days debt	na	1,077	857	1,142	1,301
Days debt > 90 days	na	954	692	1,013	1,275
Housing recharges & FT arrears (unitaries & districts)					
Days debt	na	1,026	438	802	1,525
Days debt > 90 days	na	1,059	358	927	1,549
LA schools (unitaries & districts)					
Days debt	na	84	16	43	56
Days debt > 90 days	na	62	1	7	13

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We also provide other Debtors related services through CIPFAstats and TISonline.

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www.cipfa.org/services/benchmarking

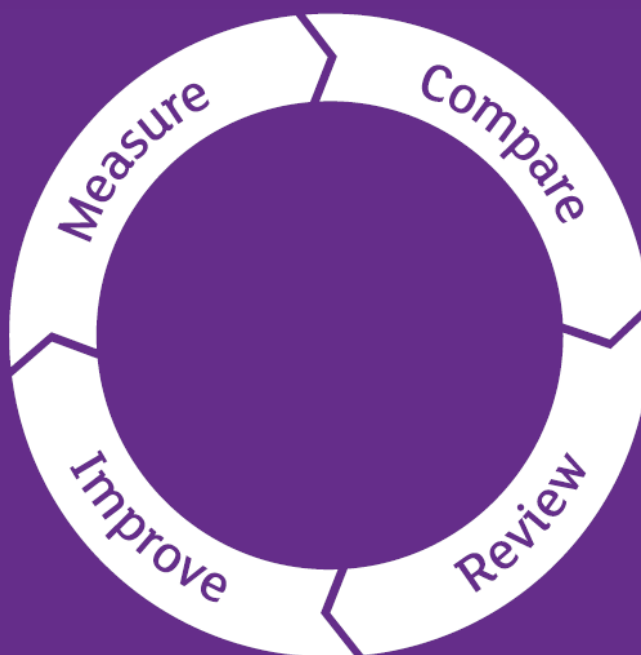
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www.cipfa.org/corporateservices

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E: customerliaison@cipfa.org T: 020 7543 5600



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ESTATES AND BUILDING MAINTENANCE INSPECTIONS

To: **AUDIT & ACCOUNTS COMMITTEE**

Meeting Date: **24th January 2019**

From: **Chris Malyon, Deputy Chief Executive**

Electoral division(s) **All**

Forward Plan ref: **Not applicable** ***Key Decision:***
No

Purpose: **Update Members on estates and building maintenance inspections.**

Recommendation: **It is recommended that:-**

Members note the inspection programme.

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	John Macmillan	Names:	Councillor Shellens
Post:	Group Asset Manager	Post:	Chairman Audit and Accounts Committee
Email:	John.macmillan@cambridgeshire.gov.uk	Email:	shellens@waitrose.com
Tel:	076808861360	Tel:	01480 456555

1. BACKGROUND

- 1.1 Commercial & Investments Committee in September 2018 considered a report which looked at the inspection programme for buildings occupied or leased by the County Council. Buildings owned by the Council or let out on short leases are inspected regularly but schools, properties let on long leases (>25 years), including schools let to Academy Trusts, were not.
- 1.2 On a request from one of its Members, the Chairman of Audit & Accounts Committee has agreed to receive a report which would consider how all property assets were inspected together with a summary of the inspection. In addition further details of leased properties was requested.

2 CURRENT INSPECTION PROGRAMME

- 2.1 Compliance, Property Services and Strategic Assets are all part of the Resources Directorate which were part of LGSS until 2017.
- 2.2 Property services are responsible for carrying out building maintenance checks and inspections. This work is outsourced to term contractors or specialist surveyors although in-house staff will carry out ad hoc inspections as well. The current programme is shown at Appendix 1 together with a sample condition survey report at Appendix 2. The condition survey provides a cost estimate and this is included in the inspection program table. That work is prioritised and carried out over a number of years.
- 2.3 Academy and other schools are not inspected by Property Services. There are 115 Academy schools let on 125 year leases with the school responsible for repairs and maintenance. There are 140 Non- Academy schools who have devolved budgets and are also responsible for their own repairs and maintenance. The Council produced a Good Stewardship guide for schools which assists them to look after their schools. (Appendix 3). C&I requested that schools are inspected and the best approach and identification of resource is being considered by Education and Property teams.
- 2.4 Compliance outsource health and safety related inspections covering for example asbestos, fire and water checks. Corporate offices and libraries are inspected annually. 10% of schools are inspected annually.
- 2.5 Strategic Assets are responsible for Landlord and Tenant matters with inspections carried out by contractors as part of the asset valuation programme every 5 years and ad hoc inspections between. On the County Farms estate in-house surveyors carry out a programme of 5 yearly building inspections with ad hoc visits in between. Asbestos surveys are carried out by contractors.
- 2.6 Lease information on rents and tenancy terms was requested by Audit and Accounts Committee and will be provided for a future meeting.

Background / source Documents: None

Property Services & Facilities Management - Buildings		Pre 2016	2016	2017	2018	2019	2020
Building	Headline Cost						
Drummer Street Bus Station Drivers' Rest Room CB1 1NQ							
Park & Ride Babraham CB22 3AB							
Park & Ride Longstanton CB24 3DS							
Park & Ride Madingley CB3 0EX							
Park & Ride Milton CB24 6DQ							
Park & Ride Newmarket Road CB5 8AA							
Park & Ride Trumpington CB2 9FT							
St Ives Park & Ride PE27 4LG							
12 London Road CB22 7QH							
204 Norwich Road PE13 3TD	£ 48,950.00			2017			
78 Victoria Rd PE13 2PY							
Bar Hill (Former) Children's Centre CB23 8DY							
Burwell House CB5 0BA							
Grafham Water Residential Cntr PE28 0BX	£ 266,639.00			2017			
Hawthorns Adolescent Unit CB4 2RA	£ 182,850.00				2018		
Hawthorns Family Unit CB4 2RA							
Sawtry Community Centre PE28 5UY	£ 17,400.00			2017			
Somersham (Former) Children's Centre PE28 3EU						2019	
Cambridgeshire Music (Amber Centre) PE29 1NL						2019	
The Blue School CB23 6DZ							
Arbury Pri Playgroup CB4 2DE							
Staff House Cottenham VC CB24 8UB		2009					2020
Ctkr Abbey Meadows Pri CB5 8ND		2009					2020
Ctkr Bewick Bridge Pri CB1 4NE		2009					2020
Ctkr Burwell House CB25 0BB		2009					2020
Ctkr Burwell VC Pri CB25 0DU		2009					2020
Ctkr Castle Special Sch CB4 2EE		2009					2020
Ctkr Cherry Hinton Inf CB1 9HH		2009					2020
Ctkr Clarkson Inf PE13 2ES		2009					2020
Ctkr Colville Pri CB1 9EJ		2009					2020
Ctkr Eastfield Inf PE27 5QE		2009					2020
Ctkr Fulbourn Pri CB21 5BH		2009					2020
Ctkr Harbour Special Sch (No 1) CB6 3RP		2009					2020

Ctkr Harbour Special Sch (No 2) CB6 3RP			2009			2020
Ctkr Hartford I & J PE29 1UL			2009			2020
Ctkr Holywell Pri PE27 4TF			2009			2020
Ctkr Huntingdon I & J PE29 1AD			2009			2020
Ctkr Little Paxton Pri PE19 6NQ			2009			2020
Ctkr Mayfield Pri CB4 3HN			2009			2020
Ctkr Meldreth Pri SG8 6LA			2009			2020
Ctkr Newnham Croft Pri CB3 9JF			2009			2020
Ctkr Priory Jun PE19 1TF			2009			2020
Ctkr Ramsey Pri PE26 1JA			2009			2020
Ctkr Sawtry I & J PE28 5SH			2009			2020
Ctkr Shirley Pri CB4 1TE			2009			2020
Ctkr St Johns Pri PE29 7BE			2009			2020
Ctkr St Lukes Pri CB4 3LA			2009			2020
Ctkr St Marys Pri (Ely) CB7 4RB			2009			2020
Ctkr St Matthew's Pri CB1 2NH			2009			2020
Ctkr The Grove Pri CB4 2NB			2009			2020
Ctkr Thorndown I & J PE29 6SE			2009			2020
Ctkr Warboys Pri PE28 2RX			2009			2020
Ctkr Waterbeach Pri CB5 9JU			2009			2020
Ctkr Westwood Jun PE15 8JT			2009			2020
Ctkr William Westley Pri CB22 4NE			2009			2020
Ctkr Willingham Pri CB4 5LE			2009			2020
Ctkr Wyton Pri PE28 2JB NEW						
Staff House 24 Park View PE28 4AJ			2009			2020
DOMESTIC 18 Dolphin Close CB21 4XA				2017		
Ctkr Elm Road Pri PE13 2TB			2009		2018	
Wisbech Adventure Playground PE13 3HB	£	41,900.00		2017		
Hillrise Contact Centre PE29 1LY	£	182,100.00		2017		
Bottisham Locality & Children's Cntr CB25 9DL						
Farcet (Brightfields) Children's Centre PE7 3AR						
Broad Leas Centre PE27 5QB	£	296,250.00			2018	
Eynesbury (Butterfly) Children's Centre PE19 2DX						
Cambourne Children's Centre CB23 6HL	£	54,350.00		2016		
Cherry Hinton Children's Centre CB1 9ND						
Papworth (Former Daisy) Children's Centre CB23 3QX					2019	
Ely Childrens Centre CB7 4RB						

Sutton (Growing Places) Children's Cntr CB6 2QQ					
Huntingdon Youth Centre PE29 7AF	£	319,450.00		2018	
Caldecote Playgroup CB23 7NX					2019
Littleport Children's Centre CB6 1JT					
March Community Cntr PE15 8LE	£	319,450.00		2018	
Noble House CB7 4EX					2019
Ramsey Locality Team PE26 1DG					
Soham Children's Centre CB7 5BH					
Bassingbourn (Stepping Stones) Childrens Centre SG8 5NP					
The Eatons Children's Centre PE19 8BT					
The Elm Centre PE14 0AG					
Whittlesey Children's Centre PE7 1SZ					
Whittlesey Youth Cntr (Scaldgate) PE7 1SD					
Wisbech Rural Children's Cntr PE13 4HB					
Wisbech South (Nene) Children's Centre PE13 2AQ					
Yaxley Youth Centre PE7 3NU					
YPM March (L) PE15 9LS					
Highways Depot - March PE15 0EN	£	52,050.00	2016		
Highways Depot - Stanton House PE29 6HL	£	46,650.00	2016		
Highways Depot - Witchford CB6 3NR	£	116,500.00	2016		
Highways Depot - Whittlesford CB2 4NL	£	36,200.00	2016		
DOMESTIC 18 Dolphin Close CB21 4XA				2017	
Ely Registration Office CB7 4LS					
Castle Lodge Registrars CB3 0AP	£	135,595.00	2016		
Arbury Court Library CB4 2JQ	£	54,350.00		2017	
Bar Hill Library CB3 8DY	£	41,050.00			2018
Barnwell Rd Library CB5 8RQ	£	32,675.00		2017	
Buckden Library PE19 5UY	£	53,300.00			2018
Burwell Library CB25 0DU	£	38,000.00			2018
Cambridge Central Library CB2 3QD	£	386,600.00			2018
CDPT 28 Long Road CB2 8PS					
Chatteris Library PE16 6DY	£	87,600.00		2017	
Cherry Hinton Library CB1 4HZ	£	55,800.00		2017	
Comberton Library CB3 7DU	£	38,400.00			2018
Cottenham Library CB24 8QY	£	31,400.00			2018
Cottenham Store CB4 8SW	£	44,200.00			2018
East Barnwell Community Cntr CB5 8RS					

Ely Library CB7 4ZH	£	275,700.00			2018
Gt Shelford Library CB22 5LZ	£	24,100.00			2018
Histon Library CB4 4JE	£	73,900.00			2018
Huntingdon Library PE29 3PA					
Linton Library CB1 6JT	£	39,000.00		2017	
Littleport Library CB6 1LU	£	39,100.00			2018
March Library PE15 9LT	£	156,500.00		2017	
Milton Road Library CB4 1XA	£	195,850.00	2016		
Milton Store CB24 6AT					
Papworth Library CB23 3UY (LEASED)	£	22,500.00			2018
Ramsey Library PE26 1AF	£	59,450.00		2017	
Reablement Hinchingsbrooke PE29 6NS					
Rock Rd Library CB1 4UG	£	86,850.00		2017	
Roger Ascham Library CB4 2BD	£	152,800.00		2017	
Sawston Library CB2 4BP	£	26,000.00			2018
Sawtry Library PE28 5TH	£	93,200.00			2018
Soham Library CB7 5HJ	£	124,900.00			2018
Somersham Library	£	28,250.00	2013		
St Ives Library PE27 5BW	£	200,100.00			2018
St Neots Library PE19 2BH	£	133,300.00			2018
Stanton Villas PE29 6XL	£	306,750.00	2016		
Warboys Library PE28 2TA	£	70,100.00			2018
Whittlesey Library PE7 1BA	£	150,500.00		2017	
Willingham Library CB4 5HS	£	40,700.00			2018
Wisbech Library PE13 1EU	£	83,900.00		2017	
Yaxley Library PE7 3JL	£	74,500.00		2017	
20 Alder Close PE15 8PY	£	60,000.00			2018
40 Russell St CB2 1HT					2019
44 Russell St CB2 1HT					2019
Ambury Rd Day Centre PE29 1JE	£	163,000.00			2018
Horizon Resource Centre CB1 3HY					2019
Huntingdon Community Cntr PE29 6JE	£	233,120.00	2015		2019
Jasmine House CB6 1BA	£	64,350.00			2018
Larkfield Day Centre CB7 4SB	£	161,600.00	2013		2019
Shortsands Day Centre PE19 1PL					2019
St Lukes Close Respite PE29 1JT					2019
Burwell House CB5 0BA	£	473,500.00		2017	

Stibbington Centre (Old School) PE8 6LP	£	159,200.00		2017		
Stibbington Centre (Terrapin) PE8 6LP	£	276,800.00		2017		
Tennyson Lodge Day Centre PE15 8AJ						2019
Victoria Lodge Day Cntr PE13 2UW						2019
Amundsen Annexe PE27 5JL						2019
Amundsen House PE27 5JL						2019
Awdry House (CoWA) PE13 2JD						2019
Babbage House CB3 0AP			2010			2019
Butts Grove Day Centre PE29 7LY	£	736,900.00		2017		
Cambridge PDC CB2 9NL						2019
Comberton Road (Toft)	£	146,000.00			2018	
Hereward Hall PE15 8NE	£	19,250.00	2013			
Lawrence Court PE27 3PA	£	172,800.00		2017		
Marwick March Business Centre PE15 8AN	£	530,750.00			2018	
Office 20 St. Benedict's Court PE29 3PN						
Office 42 Castle Street CB3 0AP	£	25,370.00		2016		
Old Police House CB3 0AP	£	126,180.00		2016		
Old Police House CB3 0AP (M&E)	£	139,450.00		2016		
Sackville House CB23 6HL						2019
Sackville House Medical Practice CB23 6HL						2019
Scott House PE29 3AD						2019
Shire Hall - Octagon CB3 0AP	£	1,600.00		2016		
Shire Hall CB3 0AP	£	1,176,900.00		2016		
Signet Court CB5 8LA	£	146,250.00			2018	
Speke House PE27 5JL						2019
Stanton House PE29 6XL	£	281,450.00		2016		
The Bargroves PE19 2EY	£	123,750.00			2018	
Vantage House	£	142,700.00		2017		
St Ives Day Centre PE27 3XL						2019

CONDITION REPORT & PLANNED COSTS

The Bargroves,
Cromwell Road, St Neots PE19 2EY
Prepared for
Cambridgeshire County Council

November 2018


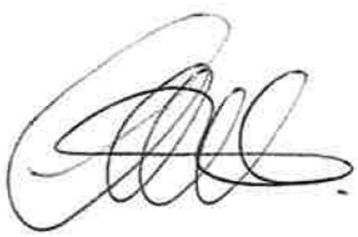
The Bargroves,
Cromwell Road,
St Neots PE19 2EY
Cambridgeshire County Council



A condition survey and five-year budget costing for a single-storey, brick-constructed property in Cambridgeshire accommodating a youth centre and offices.

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1. Executive Summary
2. Constraints, Limitations and Restrictions
3. Introduction
4. Costs
5. General Photographs

Prepared & Edited By: 	Kevin Freeman PGDipSurv MRICS Building Surveyor Associate Director – Building Consultancy For and on Behalf of RPS Group plc	
Approved By: 	Alex Parry-Jones Building Surveyor Senior Director For and on Behalf of RPS Group plc	
Date of Issue: November 2018	File Name: The Bargroves St Neots Summary Report KF 27.11.18	Issue: 1 Status: Issued

EXECUTIVE SUMMARY

Overall & Red Flag Items	There are no serious red flag items to report and our costing is based upon largely routine/backlog maintenance or programming future repair and redecoration.		
	The hardstanding areas are breaking up and would require resurfacing within the timeframe. Some concrete-paved areas are uneven and require maintenance and improvement.		
	Some remaining timber windows and doors (the majority being PVCu) require short-term redecoration.		
	Items of general maintenance required and some upgrading of fixtures and finishes internally, although largely in good condition.		
	An allowance has been made for redecoration of the internal areas and renewal of flooring, considered likely required within a 3-5 year cycle.		
RAG Status key	Electrical upgrade of the lighting to LED appeared to be occurring at the time of the survey. Unclear on work planned for the fire safety system; would request any information available related to the Fire Risk Strategy of the building.		
	<i>Immediate action / Critical issue / H&S matter.</i>		
	<i>Medium term action, management / housekeeping issue or non-critical issue.</i>		
	<i>No actions required / no issues of concern.</i>		
Condition Assessment	Key Issues / Comments	RAG Status	Estimated Age
Structure & Envelope	The building has a timber truss roof with hip valleys and gable ends. It is likely the building's cavity facing brickwork and internal masonry walls are loadbearing, although the ceiling voids were unavailable to inspect.		Original
	Pitched roof to building appears in good condition with minor cleaning and redecoration of timber tilt-opening roof-lights being required in the timeframe. Several stained ceiling tiles in the East portion suggest possible roof leak, but roof appears sound. See General Photos (s. 5, no. 1).		Original
	Minor works to elevations including replacement concrete cill, redecoration of isolated timber windows and doors and general cleaning only.		10yrs main windows, remainder original
Internal Finishes	Minor redecoration will be required longer term and replacement floor coverings. See General Photos (s. 5, nos. 6-10).		2yrs
External Areas	Macadam/gravel hardstandings to South of building breaking up and disrepair and will require re-laying or patch repair during the timeframe. New concrete drainage channel required in the short term. See General Photos (s. 5, nos. 2 & 3).		Original
Mechanical Installations	Gas-fired boiler cylinder appears renewed within last few years (no certificate shown) and so no works will be anticipated.		Under 2yrs
	Radiator controls appear in good order. Unclear whether zonal thermostat exists but building in constant use and is small in size so likely a limited benefit.		30 yr



Electrical Installations	Lighting reportedly upgraded recently to include LEDs seen onsite.		Under 1yr
	Hot water heaters provided to wash-hand basins appear in good condition, although test certificates not provided.		Under 5yrs
	A repeater fire panel is present. Fire sounders appeared to have been removed and smoke alarms may be minimal and require augmentation. This may have been due to current maintenance works. However, would recommend a Fire Risk Assessment is undertaken if one is not present. We have allowed a provisional sum for the installation of new sounders and hard-wired smoke detection, if this is required.		Unknown age
Meters - Locations and Possible Upgrades	Gas meter within dedicated plant room to East of entrance, with 3no. submeters running to other locations, although not clarified. Domestic sizing and appeared new installation and pipework with insulation lagging.		Under 2yrs
	Assumed electrical meter within dedicated plantroom with large switchgear although could not be identified by site staff.		Unknown age

Energy Conservation Upgrades Feasible	In one location we were able to check the loftspace and it would appear to have been insulated, at least in this area. It is unclear whether there is cavity wall insulation, which may be feasible to upgrade and improve thermal performance. Further investigation would be required, so we have not included a cost.					
Equality Act Comments	Accessible WC appeared to have modern fittings (e.g. paddle flush and easy-turn taps) and considered adequately-sized. All access and egress points have level thresholds and automated doors and were in good order. Entrance and hardstandings have uneven pavings in isolated areas, which should be re-levelled at minor cost.					
Deleterious Materials	No dangerous materials noted. Asbestos reportedly in low volume via three samples in a section described as "roof cloaking strip" in the report by Frontline Data, for immediate action. The authors of the report should clarify the action required, but the risks are identified as low. We have allowed a provisional sum in our costs for this work.					
Statutory & Legal Issues	No statutory documentation/legal docs provided or reviewed.					N/A
Further Investigations	If a Fire Risk Assessment is available, this should be consulted in regards to the fire strategy for the premises, as smoke alarms and sounders appeared lacking.					
Costs Summary - See Budget Costing, s. 4						
Summary Cost by Priority	Immediate Works Required Within Year 1	2019/20	2020/21	2021/22	2022/23	2023/24
A: Hazardous	£17,000.00	£0.00	£0.00	£0.00	£0.00	£0.00
B: Poor	£2,250.00	£2,500.00	£10,000.00	£500.00	£10,000.00	£0.00
C: Fair	£2,000.00	£0.00	£2,000.00	£0.00	£7,000.00	£70,500.00
D: Optional	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
TOTAL:	£21,250.00	£2,500.00	£12,000.00	£500.00	£17,000.00	£70,500.00
GRAND TOTAL	£123,750.00					

CONSTRAINTS, LIMITATIONS AND RESTRICTIONS

Limitations to Extent of Survey	<p>This high level report is not to be relied upon to make a purchase decision or enter into a legal commitment to purchase and we will accept no responsibility for such should you choose to proceed without a full detailed building survey report.</p> <p>The Mechanical & Electrical installations have been inspected from a building surveying perspective only. The survey is limited to a high level visual inspection of the overall age and condition of the installations only.</p>		
Limitations as per the CCC Brief	<p>The stock condition survey will comprise a visual assessment of the condition of all exposed and accessible parts to identify significant defects and items of disrepair. This assessment shall be undertaken without causing disturbance to the building or site.</p> <p>The exterior of the Site buildings will be surveyed from ground level or, where access permits, balconies and roofs. Such inspections shall be assisted by the use of binoculars and/or suitable access equipment (ladders with risk assessment etc.) where appropriate.</p> <p>The inspection of the Site building interior may be limited by the presence of fitted floor coverings, furniture, displays and stock, etc., where possible, the Contractor shall only lift corners or edges of fitted floor coverings where considered necessary but heavy fittings will not be moved and the contents of fitted cupboards, display fittings, etc. shall not be emptied.</p> <p>Any parts of the Site building structure which are covered or inaccessible such as foundations and built in steelwork and timber-work are excluded for the stock condition survey but if there is reason to believe further investigation is required the CCC Property FM Project Manager shall be informed.</p>		
Areas Unavailable for Inspection	<ol style="list-style-type: none"> 1. Roofs entirely inaccessible except from ground level and from 1no. loft hatch. 2. West wing now occupied by school for children with special needs, Samuel Pepys School. Grounds secured and inaccessible. 3. Some rooms were holding important meetings or were locked and all of these were inaccessible. 		
Documents Inspected	<ol style="list-style-type: none"> 1. Asbestos report - marked a "Sampling Survey", incl. samples. 2. Floor Plans 3. Certain H&S Documents (provided onsite) 	Documents Not Available/ Other Comments	<ol style="list-style-type: none"> 1. O&Ms 2. Test certificates for services 3. Warranties 4. Legal plans showing ownership 5. Leases (if applicable) 6. Fire Risk Assessment

INTRODUCTION

Date of Inspection:	14th November 2018
Purpose of Survey:	A high-level stock condition survey to include 5-year high-level budget costings.
Inspected By:	Kevin Freeman
Tenure:	Unknown
Property Photos:	 
Property Address:	The Bargroves Resource Centre, Cromwell Road, St Neots PE19 2EY
Property Area (m²):	c. 1,300
Front Facing:	South
Use:	Council Office functions including hotdesking and IT. Interviews for social services e.g. foster care.
Operational Times and User Groups:	Monday to Thursday 9am to 5pm; Friday 9am to 4.30pm; Saturday and Sunday closed
Listed Status:	Not Listed or in a Conservation Area
No. of Storeys:	1
Approximate Age:	c. 1980s
Location Description:	Industrial estate road, with special needs school adjacent and local residential properties, 0.6 miles from St Neots Rail Station.
Site and Property:	<p>Single-storey building with timber truss pitched roofs weathered in concrete tiles and face brickwork elevations.</p> <p>Has a combination of macadam/gravel hard-standing parking and concrete-paved areas and some soft landscaping.</p>
Structure & Fabric	<p>Structure largely inaccessible to view but likely to be of loadbearing masonry.</p> <p>Pitched roof has several levels and hip valley gutters, and is weathered in convex concrete tiles. The loftspace, where available in one area to inspect, showed sarking felt, timber trusses and mineral wool insulation laid horizontally. uPVC rainwater goods, treated timber fascias and painted timber board soffits.</p> <p>External walls to the building are of cavity-constructed fair-faced brickwork. It is unclear whether insulation is present in the cavity. Double-glazed uPVC windows throughout almost the entire building and are likely under 10 years old, we estimate. Several windows in to East elevation have timber subframes and are factory-coated metal sliding sash windows.</p> <p>Internally a variety of ceilings, with exposed grid MF ceilings in the majority of office areas, or with painted textured finish largely in corridors and circulation areas. Painted plaster or plasterboard walls, painted timberwork and veneered solid timber doors. Solid concrete floors with a combination of carpet or vinyl finishes. Vitreous china sanitaryware and lightweight partitions, likely under 5 years of age.</p>

**Building Engineering
Services**

Space heating is principally via 3no. gas-fuelled boilers likely installed within last 2 years, providing heat to metal panel radiators within guards and having TRV controls. Metal panel radiators largely renewed in last 5 years. No zonal controls noted, although unlikely required given the size and use of the property.

Hot water to building has central electrical storage cylinder, supplemented with local instantaneous electrical water heaters.

Principal areas are lit with recessed modular lights within the exposed grid ceiling or with individual Perspex dome light fittings. Reportedly, these have been recently upgraded on a rolling basis to LED fittings, to include integrated emergency lighting.

Power sockets provided by means of uPVC perimeter trunking.

4. BUDGET COSTING FOR REPAIR & MAINTENANCE

PRIORITY CODE

PROPERTY: The Bargroves, St Neots

A: Hazardous
B: Poor
C: Fair
D: Optional

In hazardous condition. Works needed to comply with Health & Safety or other statutory obligations.
In poor condition or reaching the end of its useful life. Comprehensive repair or replacement needed.
In fair or serviceable condition with evidence of wear and deterioration. Repair or partial replacement needed.
Optional works where upgrades suggested and costs provided as a guide

Item Number	Element/ Location	Description	Condition/ Recommendation	Priority Code	Immediate Works Required Within Year 1	2019/20	2020/21	2021/22	2022/23	2023/24	Comments, Sustainability and Recommended Improvements
1.00	Building Structure & Fabric										
1.01	Pitched roof	Concrete tiled truss roof with timber rooflights	Clean roof of moss and lichens and prepare and redecoration of roof lights in the medium term.	C					£5,000.00		
1.02	Pitched roof	Mineral fibre suspended ceiling in East wing is stained	Investigate whether leak has occurred. Allowance of a Provisional Sum to repair roof if required.	B	£1,500.00						
1.03	Timber window subframes/ East elevation	Sliding sash factory coated metal windows with painted timber sub-frames and spandrels.	External timber will require redecoration on a cyclical basis to maintain. Prepare and redecorate timber elements described. Includes access.	C			£1,500.00				
1.04	Doors to elevations	Treated or painted timber doors within timber frames.	Prepare and redecorate timber elements described.	B			£10,000.00				
1.05	Brick elevations with concrete cills	Cavity constructed fair-faced brickwork and reinforced concrete window cills	In good condition with light soiling and 1no cracked cill. Allow to replace cill in short-term, followed by regular cleaning of elevations on cyclical basis.	B	£750.00			£500.00			
1.06	Rainwater goods	uPVC square eaves gutters and downpipes	Clearance and realignment of RW goods on a cyclical basis.	C						£500.00	
1.07	Internal	Painted/treated walls, doors and timberwork.	Allowance for redecoration on assumed 3-5 yr cycle.	C						£40,000.00	

4. BUDGET COSTING FOR REPAIR & MAINTENANCE

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In fair or serviceable condition with evidence of wear and deterioration. Repair or partial replacement needed.
Optional works where upgrades suggested and costs provided as a guide

Item Number	Element/ Location	Description	Condition/ Recommendation	Priority Code	Immediate Works Required Within Year 1	2019/20	2020/21	2021/22	2022/23	2023/24	Comments, Sustainability and Recommended Improvements
1.08	Internal	Flooring - various finishes.	Allowance for renewal on assumed 5-10 yr cycle.	C						£30,000.00	
1.09	External	Concrete paving slabs.	Where out-of-level, particularly to the eastern side of the site, allow to level. Jet wash all slabs on a cyclical basis.	C	£2,000.00		£500.00		£500.00		
1.10	External	Macadam/gravel carparks	Surface breaking up in places. Allowance to re-surface patches in medium term.	B					£10,000.00		
1.11	External	Concrete dish drainage channel in carpark	Channel broken up and deflected and has filled with detritus. Requires renewal.	B		£2,500.00					
			<i>Sub-total</i>		£4,250.00	£2,500.00	£12,000.00	£500.00	£15,500.00	£70,500.00	£105,250.00

4. BUDGET COSTING FOR REPAIR & MAINTENANCE				PRIORITY CODE							
PROPERTY: The Bargroves, St Neots				A: Hazardous In hazardous condition. Works needed to comply with Health & Safety or other statutory obligations. B: Poor In poor condition or reaching the end of its useful life. Comprehensive repair or replacement needed. C: Fair In fair or serviceable condition with evidence of wear and deterioration. Repair or partial replacement needed. D: Optional Optional works where upgrades suggested and costs provided as a guide							
Item Number	Element/ Location	Description	Condition/ Recommendation	Priority Code	Immediate Works Required Within Year 1	2019/20	2020/21	2021/22	2022/23	2023/24	Comments, Sustainability and Recommended Improvements
2.00	M&E Services										
2.01	Internal generally	Smoke detectors and sounders	Unclear on the adequacy of the system or if current works ongoing. Provisional sum to introduce new sounders and smoke alarms if necessary.	A	£15,000.00						Assuming no detection in place, which is unlikely but no evidence to the contrary.
2.02	General	Fire Risk Assessment	Unclear whether Fire Risk Assessment in place. Provisional sum to undertake assessment if required.	A	£2,000.00						Assuming no FRA in place, which is unlikely but no evidence to the contrary.
2.03	General - electrical systems	Electrical testing assumed required within period.	Allow for periodic electrical testing if required. No allowance for unknown repairs.	C					£1,500.00		
			<i>Sub-total</i>		£17,000.00	£0.00	£0.00	£0.00	£1,500.00	£0.00	£18,500.00
			<i>Building Structure & Fabric</i>		£4,250.00	£2,500.00	£12,000.00	£500.00	£15,500.00	£70,500.00	
			<i>Building Services Installations</i>		£17,000.00	£0.00	£0.00	£0.00	£1,500.00	£0.00	

4. BUDGET COSTING FOR REPAIR & MAINTENANCE

PROPERTY: The Bargroves, St Neots

PRIORITY CODE

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 D: Optional Optional works where upgrades suggested and costs provided as a guide

Item Number	Element/ Location	Description	Condition/ Recommendation	Priority Code	Immediate Works Required Within Year 1	2019/20	2020/21	2021/22	2022/23	2023/24	Comments, Sustainability and Recommended Improvements
			Summary Cost by Priority	Priority Code							
			A: Hazardous	A	£17,000.00	£0.00	£0.00	£0.00	£0.00	£0.00	£17,000.00
			B: Poor	B	£2,250.00	£2,500.00	£10,000.00	£500.00	£10,000.00	£0.00	£25,250.00
			C: Fair	C	£2,000.00	£0.00	£2,000.00	£0.00	£7,000.00	£70,500.00	£81,500.00
			D: Optional	D	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
			TOTAL:		£21,250.00	£2,500.00	£12,000.00	£500.00	£17,000.00	£70,500.00	£123,750.00

All costs exclusive of VAT and are rounded up to the nearest £1,000, excluding service charge liability items Please note the exclusions which apply to the budget costs stated

Views of Elevations and External Grounds



1. View of roof



2. Broken dish channel, carpark



3. Breaking up hardstanding



4. Elevation (east) with timber windows and doors and uneven concrete slabs



5. Rear hardstanding

Views of Internal Finishes and Fittings



6. New oil-fired boilers, east end



7. Accessible WC with modern fittings



8. Main hall



9. View of corridor and radiator



10. Kitchen



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APPENDIX 3

Good Stewardship for Schools' Premises

2012 Update



Please read in conjunction with 2009 Edition

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Aims and Purposes

The purpose of this Guide is to assist Headteachers and Governors of Community Schools to provide good stewardship of their school premises. This edition provides some updates to the information in the 2009 edition but does not replace it.

Headteachers and Governors of Academies, Foundation and Aided schools may find the information contained in the Guide useful.

Good Stewardship is a joint responsibility for the Community School and County Council for, whilst the County Council still owns the property assets and employs school personnel, the delegation of budgets and responsibilities, particularly for school property management and maintenance, means that schools have a vital role to perform in discharging good stewardship.

It is important that schools manage and maintain their buildings to a standard that complies with legal requirements, best practice as well as the Authority's standards. This update focuses on managing budgets and appointing professional property advice and contractors.

Roles and Responsibilities

Property Services

Now located in LGSS Finance, Property Services provides support to schools on general property issues. This does not replace the role of schools' Property Advisers – schools are strongly advised to purchase professional property advice.

Maintenance Budgets

Capital Maintenance

Schools have allocations of Devolved Formula Capital to be used for building projects identified in their Asset Management Plans. The allocations of Formula Capital are indicated to schools in letters from Education Capital.

After three years, uncommitted Capital funding may be clawed back through CYPS Finance.

The implications of the Chartered Institute of Public Finance Accountants (CIPFA) Definition of Capital in the context of Formula and Targeted Capital are that capital funding:

- is included in delegated Fair Funding budgets;
- must not be used for general maintenance, redecoration or routine repairs;
- must not be used for the purchase of books, ICT software or training;
- is distinct from any element for routine repairs and maintenance that may be included in delegated fair funding budgets;
- must not fund leases in respect of equipment or facilities;
- may not be used for the hire of temporary accommodation, unless it is part of a larger project.

Further information on the use of Capital can be obtained from Education Capital.

Seeking Capital Investment from the Authority to Address Maintenance and Condition Needs

In cases where the value of high-priority Condition projects exceeds the income, an application can be made to Education Capital to consider emergency funding. This will usually take place after the work has been carried out and the school needs to top up their DFC to avoid going into deficit.

Prior to approaching the Authority, schools must be able to demonstrate that they have explored all other sources of funding and have consulted with their Property Advisor and Finance Advisor.

In particular, schools and colleges must:

1. Use all available Devolved Formula Capital (DFC), revenue and other available funds giving priority to their identified condition and maintenance needs.
2. Consider purchasing capital items by drawing down up to three years' worth of DFC in advance.
3. Use any revenue balances which exist by capitalising these surpluses to cover the capital costs of the identified works. This should be discussed with the Schools Corporate Finance Team.
4. Consider applying for a capital cash-flow loan from the Schools Corporate Finance Team.
5. Consider the potential of securing private donations to meet the costs of specific projects.

If, having explored all of the above options, a school, decides to apply to the Authority for capital funding support. Their application must be accompanied by an:

- Education Asset Management Plan produced by the school's Property Advisor with estimated costs, expected start and completion dates, information on phasing and project management and construction fees.
- Information on the procurement arrangements the school is intending to make for project management and carrying out the work. Schools are reminded of their obligation to procure all works in strict accordance with the current Cambridgeshire County Council Contract Regulations.
- Copy of the school's most up-to-date Capital Budget Plan.
- Copy of any other relevant information such as boiler service sheets.

Once complete the application should be sent to the Business Support Helpdesk email: bsupportd@cambridgeshire.gov.uk

Applications for support funding will be subject to a detailed technical assessment, taking account of the following:

- The school has explored all funding streams available to them to implement the project.
- It is essential for the work to be undertaken within the next 12 months i.e. the effective operation of the school would be seriously affected if the work was not undertaken within this timescale.
- The identified costs are in line with expectations for the type of work needing to be undertaken.
- The application is for one or more of the following:

Replacement of boilers with more energy efficient models

Replacement of boiler controls
Replacement of roofs where it can be established that it is no longer possible or practical to undertake patch-and-mend
Replacement of windows because the frames are structurally unsound and pose a potential hazard

Applications will be:

1. Approved with no modifications; or
2. Approved with modifications to the school's Capital Budget Plan; or
3. Declined

Funding for approved applications will generally be on the basis of a grant. In some circumstances a loan repayable to the Authority within a maximum of 5 years from the school's available resources may also be considered.

The Authority will require the school to sign and return a copy of the application and a letter setting out the terms on which the funding is to be awarded before the funding is released and the project can begin.

Commissioning a Project

Building works in schools will normally be commissioned either by the Local Authority, Diocesan body or the schools themselves.

Where the Authority or Diocese manages the project, an appropriate lead consultant is appointed who will liaise with schools in order to deliver the project safely, on budget and on time.

When undertaking the work themselves, schools are strongly advised to use a competent property professional. The property professional should be commissioned to carry out the following steps as appropriate:

- Feasibility Study – checking whether the project is feasible, including the capacity of heating and electrical services and an early estimate of cost.
- Specification – producing a written technical specification of the work to be carried out, including contract conditions.
- Obtaining planning and building control consents.
- Tender – going out to tender to a number of appropriate contractors as set by the Council's Contract Regulations.
- Evaluation of tenders – checking that the tenders are valid and accurate and recommending a contractor with whom to place the order for the work.
- Site Management – regular visits to site to check the progress and quality of work.
- Handover – accepting the finished project, if complete, snagging and checking that all commissioning and testing has been carried out, receiving and validating certification and hand over the documents including the Health and Safety Plan and File and advising the Headteacher that the works are complete and safe to be used.
- Invoice check – checking that invoices are valid, accurate and reflect the work that has been carried out. Recommending the value of payment.

Fees

Property professionals will generally charge a fee either based on the value of the work as a percentage; a fixed fee irrespective of the work; or an hourly rate.

The type and level of the fee will depend on the value and complexity of the project. Fees are subject to Contract Regulations and if likely to exceed £2,000 then competitive quotations must be sought.

This is not necessary if a Property Adviser on the ESPO Framework Contract is used (see below).

Appointing a Property Adviser

It is strongly recommended that schools appoint the services of a competent professional Property Adviser.

To help schools choose an appropriate Adviser, a list of approved organisations, together with Framework Contracts has been set up and is managed by ESPO. The list is at Appendix 2. Organisations that appear on the list have been checked against a number of competency criteria. Schools can use an organisation from the list, if they wish, or use the competency criteria as a benchmark to compare other Property Advisers.

Competencies of Property Advisers

To get on to the ESPO approved list, Advisers must have the following competencies and provide the following information:

- Have a recognised construction qualification or professional registration such as RICS, CIOB, RIBA, CEng or IEng.
- Have at least five years experience managing the construction process in a Local Authority or Education environment. Have at least five years experience in the design, management and administration of building services contracts.
- Demonstrate a full knowledge of construction methods and building services protocols.
- Demonstrate specialist expertise for Engineering Services and Structural Engineering within the company or provide the name of partnership arrangements with specialist consultants.
- Demonstrate ability to assess risks to health and safety; provide a written Health and Safety policy statement that has been signed by the company owner (or equivalent person) and updated or reviewed within the preceding two years, and the name of the person providing them with competent health and safety assistance as required by law.
- Be conversant with legislation such as:
 - Building Regulations
 - Town & County Planning
 - Construction Design Management and Regulations
 - Building Bulletins published by DCFS
 - Electrical wiring regulations
 - Gas installation requirements (Gas Safe Formerly CORGI)
 - Water hygiene regulations (L8)
 - Health and Safety at Work Act and associated Regulations, Approved Codes of Practice and Guidance
 - Disability Discrimination Act
- Evidence of up-to-date minimum cover of insurance for Professional Indemnity and Public Liability of £5m each.
- Demonstrate company's policy for staff to have client awareness and a customer care focus.
- Provide a statement of contract procurement procedures.
- Provide a statement of performance monitoring arrangements.

- Provide policy on continued professional development.

Other checks to make in appointing a Property Adviser

- Staffing – are there sufficient staff to provide the service required during holidays and sickness?
- How do they deal with out-of hours emergencies?
- Can they provide references with which to check past performance?

Fees for Property Advisers should be paid from the school's Revenue Budget.

Schools should retain on site all property information in a format that may be handed to new Advisers if, for example, a contract is terminated. Contracts or Service Level Agreements should include clauses saying that ownership of such information remains with the school.

Appointing a Works Contractor

Contractors must be vetted for:

- Health and Safety – contractors must have the necessary health and safety policies, arrangements, procedures and competence to carry out their works.
- Technical ability – contractors must be registered with appropriate bodies - see below.
- Financial stability – for small works and projects the financial risk is low, as contractors would only be paid when the work is complete. However, problems increase if a contractor goes bankrupt during a project.
- Public Liability Insurance – contractors should have appropriate insurance (a minimum level of £5m is recommended) that will pay out in the event of a claim for an accident on the site. An original certificate of the cover should be seen.
- Registration with Criminal Records Bureau – the risk of not registering should be considered by the school.

Vetting should be carried out by a competent person and schools should approach their professional Property Adviser for help. See appendix 1 for details of contractors appointed by the County Council for maintenance work on non-school buildings.

Registration Requirements for Contractors

Gas

To work on gas installations and appliances safely and legally, engineers have to be on the "Gas Safe Register" – prior to 1st April 2009 the CORGI Register.

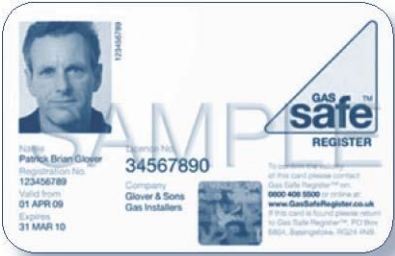
Always ask to see the Gas Safe ID

All Gas Safe -registered installers must carry an Identification Card and have it available to demonstrate their registration with Gas Safe. The card contains a photograph of the operative, their employer's trading title and the Gas Safe register trade mark. The reverse of the card contains details of the different types of gas work the operative is competent to undertake. Registration does not mean they can undertake any gas work as they may only, for example, be certified to carry out pipe work or domestic repairs and not school boilers or catering equipment. For more information check Gas Safe's web site at

<http://www.gassaferegister.co.uk>

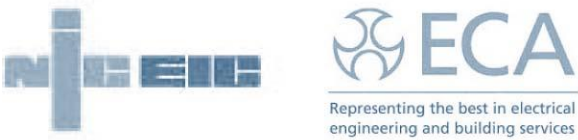
You must always ask to see your gas installer's Gas Safe ID before letting them undertake

work and you must check the reverse of the card to establish what works the installer is registered to undertake.



Electricity

Currently, there is no statutory registration for contractors undertaking electrical work in schools. It is however very important, for safety reasons, that electrical work is only undertaken by competent qualified persons. As electricians are not required to be registered under current legislation, any individual can set themselves up as an electrical contractor and undertake electrical installation work or testing and it is difficult to determine their competency. (Note for houses there is a legal requirement for competency under the Building Regulations.) There are, however, regulatory bodies that ensure that registered companies are competent and hold the correct documentation (copies of current regulations), they have appropriate test equipment and that their work conforms to best practice and meet the approved industry standards. It is the Council's requirement that only registered companies should be used on any electrical work even if an offer to undertake work is without charge. Companies should be able to demonstrate that they are registered with the National Inspection Council for Electrical Installation Contracting (NICEIC) or the Electrical Contractors Association (ECA). This is normally identified by the appropriate logo on the company's headed paper.



Water

Works on any water system must comply with the Water Supply (Water Fittings) Regulations 1999 and depending on the works being undertaken, operatives must be registered as an 'Approved Plumber' under the Regulations. The person undertaking plumbing works will need to demonstrate that they are registered or are acceptable to your Water Supply Company. For certain types of work, notification is also required to the Water Supply Company. It is recommended that advice is obtained from your water supplier for any works that you propose undertaking at your property. Their details will be available on your water supply invoice. Or for Anglian Water refer to <http://www.anglianwater.co.uk/business/watersupply/approved-plumbers/>

For Cambridge Water refer to http://www.cambridge-water.co.uk/about_you/plumbers.asp

Oil

For any work undertaken on oil boilers or storage tanks the operatives must be registered with OFTEC (Oil Firing Technical Association) again proof of registration should be checked.

Self-help Schemes

Self help schemes, where building work is carried out using the skills of parents, governors or school staff, may be attractive in saving money. However, there are risks that must be considered before embarking on a self-help project and a check list is available in the Health and Safety Management in Schools Manual to help schools through this process. Some early thought should be given to:

- Insurance – what happens if an accident occurs?
- Technical knowledge – do people REALLY know what they are doing?
- Workmanship – how do you deal with poor workmanship by volunteers?
- Competence – experience in home DIY is not evidence of professional competence

Capital Budget Plans

Each school is required to make a return to CYPS of a three-year Capital Budget Plan, which details the projects that they are considering that can be funded from Devolved Formula Capital. Projects should be drawn from the school's Asset Management Plan including Condition, Suitability and Sufficiency and risk management items as well as other projects that the school may be considering, and should be prioritised to fit the available budgets. The School's Property Adviser is an essential contributor to the process to help with this prioritisation.

Premises Plans will usually detail other income and projects such as those that are being undertaken as part of the School Access Plan. A Premises Plan template is available on the Education Portal **www.ccceducation.net** (Resource ID 1138).

Consent forms

Schools are required to return a Consent Form to Education Capital for each capital building project that does not appear on their capital budget plan, which is then checked against the school's Asset Management Plan and Premises Plan. The forms are considered in order to confirm that the building project is recorded in the AMP, will deliver value for money and to ensure that the project will be carried out by competent persons. A sample of projects is checked on site to ensure that the building work meets appropriate legislation and Regulations.

The consent form is available on the Education Portal **www.ccceducation.net** (Resource ID 3215)

Support

Support is available to schools from Property Services and Education Capital to help them deal with property issues arising out of these checks and audits. Schools can contact Property Services for help and advice on Good Stewardship, strategic and technical property issues as well as issues arising from access audits. This support does not replace the advice that schools should obtain from their own professional Property Advisers.

Appendix 1

Using Contractors for School Building Maintenance

Contractors should be vetted for health and safety, technical ability, financial stability, insurance levels and, where appropriate, registration with the Criminal Records Bureau. Contractors have been procured to carry out repairs and maintenance on all non-school County Council buildings and the two contractors appointed are available for use by schools. The contracts for non-schools are split north-south across the County; this split does not need to apply to schools.

The current contractors* are:

Building

Graham FM

Mechanical and Electrical

Imtech Aqua

The contracts were evaluated on the Most Economically Advantageous Tender (MEAT) process. Prior to being appointed, the contractors were required to bid for the contract, submit documents for evaluation and give presentations to two evaluation panels.

The evaluation criteria included:

- Staffing and resources
- Use of subcontractors
- Stability of the organisation
- Number of years trading
- Turnover
- Insurance
- Quality systems
- Number of complaints
- Health and Safety
- Environmental
- Race Relations
- Training
- Location
- Helpdesk arrangements
- Experience of similar contracts
- Multi-skilling
- Price including hourly rates

In addition, the contractors' ability to manage emergency call outs, 24 hours a day, 365 days a year was checked.

It is also strongly recommended that schools appoint the services of a competent professional Property Adviser. When engaging and managing contractors, schools are strongly advised to use a property professional to ensure that work is properly specified (including health and safety elements), variations are agreed and invoices are correct. Schools should, in the first instance, contact these contractors through their Property Advisers.

Contacts for Contractors

Graham FM

9 Eaton Court Road, Colmworth Business Park
St. Neots PE19 8ER

Tel 01480 404404

Imtech Aqua

Aqua House, Rose and Crown Road,
Swavesey CB4 5RB
Tel 01954 230948

Appendix 2

Minor Works Framework Contractors and ESPO Property Advisers Framework Contract

Minor Works Framework Contractors

Alf Wright Construction

31 Saffron Road, Wigston, Leicestershire, LE18 4UR

Contact: Jeremy Wright - Director

Email: headoffice@alfwright.co.uk

Tel 0116 278 1005

Andy Knott Construction

Units 7 & 8, Sedgeway Business Park, Witchford, Ely, Cambs, CB6 2HY

Contact: Andy Knott - MD

Email: estimating@andyknott.co.uk

Tel: 01353 614413

Ark Build Plc

Unit 12 Loughton Business Centre, Langston Road, Loughton, Essex IG10 3FLContact:

Michael Finlay - MD

Email: kmanning@arkplc.com

Tel: 020 8532 5900

BeSure Building & Maintenance Services Ltd

39 Lampits Hill, Corringham, Stanford-le-Hope, Essex, SS17 9AA

Contact: Andy Garwood - Director

Email: Andy.Garwood@Besureservices.com

Tel: 01375 677200

C.J. Murfitt

12a The Shade, Soham, Ely, Cambs, CB7 5DE

Contact: Grant Claydon

Email: ian@cjmurfitt.com

Tel: 01353 720002

Cambridge Flat Roofing Company Ltd

Cambridge Flat Roofing Co.Ltd., Unit 7 The Dock Business Park, Ely, Cambs CB7 4GS

Contact: Nick Roberts - Director

Email: estimating@cambridgeflatroofing.com

Tel: 1353 664100

Cambridge Piped Services

Unit 4 The Maltings, Millfield, Cottenham, Cambs CB24 8RE

Contact: Mark Sims - Director

Email: info@cambridgepipedservices.co.uk

Tel: 01954 251511

Foster Property Maintenance Ltd

Unit 1, Foster Business Park, 79 Boleness Road, Wisbech, Cambs, PE13 2XQContact:

John Foster

Email: quotes@fpm-ltd.co.uk

Tel: 01945 586999

Graham Asset Management

9 Eaton Court Road, Colmworth Business Park, Eaton Socon, St Neots, Cambs, PE19 8ER
Contact: Gareth Smyth
Email: warren.martin@graham.co.uk
Tel: 01480 404404

Imech Aqua Maintenance

Aqua House, Rose & Crown Road, Swavesey, Cambs, CB24 4RB
Contact: Mark Pawson - Director
Email: mark.pawson@imtechaqua.co.uk
Tel: 01954 234600

Munro Building Services Ltd

Murdoch House, 30 Garlic Row, Cambridge, CB5 8HW
Contact: J. C. Gray - Director
Email: maintenance@munrogroup.co.uk
Tel: 01223 702100

Southern Electric Contracting Ltd

55 Vastern Road, Reading, Berkshire, RG1 8BU
Contact: Andy Davies District - Contracts Manager
Email: kate.pucci@sec.eu.com
Tel: 01733 367545

Consultants Framework

Atkins Limited

Unit 5 Wellbrook Court, Girton Road, Cambridge CB3 0NA
Contact: Nick Coulson / Simon Carter
Email: nick.coulson / simon.carter@atkinglobal.com
Tel: 01223 814075 / 01223 814140

Clipston Construction Control Limited

Malborough House, Malborough Road, Watford, Hertfordshire CB3 0NA
Email: info@ccc.gb.net
Tel: 01923 447555

Cunnington Clark Limited

35 Priestgate, Peterborough PE1 1JL
Contact: Andrew Cunnington
Email: andrew@cunningtonclark.com
Tel: 01733 898010

David Turnock Architects

Datum House, 3 Commerce Road, Lynch Wood Peterborough
Contact: David Turnock
Email: david@dtarchitects.co.uk
Tel: 01733 393010

Europa Facility Services Ltd

Rosanne House, Parkway, Welwyn Garden City, Hertfordshire AL8 6HG
Contact: Matthew Reid / Jane Prainer
Email: mreid / jprainer@europa-services.co.uk
Tel: 01707 325324

Form4 Limited

9 Mannicotts, Welwyn Garden City, AL8 7BW
Contact: Andrew Szymanski
Email: a.szymanski@form4.co.uk
Tel: 01707 322333

Gleeds Building Surveying Limited

Wilford House, 1 Clifton Lane, Wilford, Nottingham NG11 7AT
Contact: Tom Shipman
Email: tom.shipman@gleeds.co.uk
Tel: 0115 9778000

Henry Riley LLP

11 Swan Court, Cygnet Park, Hampton, Peterborough PE7 8GX
Contact: Ian Toates / Simon Wayland
Email: ian.toates / simon.wayland@riley-consulting.co.uk
Tel: 01733 312252

Mouchel Limited

Mount Pleasant House, 2 Mount Pleasant, Cambridge CB3 0R
Contact: Gary J Benn
Email: gary.benn@mouchel.com
Tel: 01223 442700

PCM Property Care & Maintenance Services Limited

Halfway House, Stoke Road, Clare, Sudbury, Suffolk CO10 8HH

Contact: Peter McKenny

Email: peter@pcm-services-ltd.com

Tel: 01787 278333

Pick Everard

Halford House, Charles Street, Leicester LE1 1HA

Contact: Michael Bowler

Email: michaelbowler@pickeverard.co.uk

Tel: 0116 2234400

QMP

14-16 High Street, Histon, Cambridge, CB24 9JD

Contact: David Hobbs / Anthony Hart

Email: [david.hobbs](mailto:david.hobbs@gmp.co.uk) / Anthony.hart@gmp.co.uk

Tel: 01223 235173 / 01604880808

Ridge and Partners LLP

The Cowyards, Blenheim Park, Oxford Road, Oxfordshire OX20 1QR

Contact: David Walker

Email: dwalker@ridge.co.uk

Tel: 01993 815100

Silcock Dawson & Partners

4/5 Tower Court, Horns Lane, Princes Risborough, Buckinghamshire HP 27 0AJ

Contact: Barry Redman

Email: bredman@silcockdawson.co.uk

Tel: 01844 347474

School Property Management Services

Unit 5 e-space South, 26 St. Thomas Place, Ely, Cambridgeshire CB7 4EX

Contact: Cath Conlon

Email: cathconlon@btinternet.com

Tel: 01353 644050

Strictly Education Limited

The Learning House, Snowdon Drive, Winterhill, Milton Keynes MK6 1BP

Contact: Stuart Collard / Fiz Johnson

Email: [stuart.collard](mailto:stuart.collard@strictlyeducation.co.uk) / fiz.johnson@strictlyeducation.co.uk

Tel: 01908 208200 / 01908 208525

Turner & Townsend

10 Bedford Street, London, WC2E 9HE

Contact: Nigel Herbert / Bram Frankhuijzen

Email: [nigel.herbert](mailto:nigel.herbert@turntown.co.uk) / bram.frankhuijzen@turntown.co.uk

Tel: 0207 5444094 / 0207 7662299

Watts Group Plc

1 Great Tower Street, London EC3R 5AA

Contact: Spencer Carroll

Email: spencer.carroll@watts-int.com

Tel: 0207 2808073

BREXIT IMPACT ASSESSMENT AND RESILIENCE PLANNING

To: **Audit and Accounts Committee**

Date: **24 January 2019**

From: **Adrian Chapman - Service Director: Communities and Safety**

Electoral Division(s): **All**

Purpose: **To inform the Committee about preparations for Brexit**

Key Issues: **None**

Recommendation: **To note and comment on the information within this report**

<i>Officer contacts:</i>		
Name:	Jane Heath	Kevin Hctor
Post:	Transformation Advisor	Senior Transformation Advisor
Email:	jane.heath@cambridgeshire.gov.uk	kevin.hctor@cambridgeshire.gov.uk
Tel:	01223 703563	01223 728163

1. BACKGROUND

- 1.1 The United Kingdom (UK) is set to leave the European Union (EU) on 29 March 2019. At present, the detail of the terms of that exit is unknown. However, it is imperative that the Council seeks to identify the potential impacts of this on our organisation, our staff, and our residents.
- 1.2 Work is underway therefore to develop an impact assessment based on the information available to us at present. This is attached at appendix 1. Members will appreciate that this is a rapidly changing situation, and the impact assessment will need to be kept under very frequent review to reflect this.
- 1.3 Work to date has been informed by research, technical notes produced by Government, workshop sessions with officers, and meetings with services, senior leaders, Members and partners. There has also been significant engagement with Central Government departments, in national conference calls and at a regional event. Information has also been drawn from the work of other councils, the Local Government Association and the East of England Strategic Migration Partnership.
- 1.4 The draft impact assessment at appendix 1 is designed to cover impacts relevant to both Cambridgeshire County and Peterborough City Councils. Following advice from the Corporate Risk Group, the impact assessment focuses on council services, our statutory responsibilities and our customers in their interaction with council services. The focus is on the immediate short term issues (i.e. in the months following the 29 March 2019) and potential impacts rather than the likelihood of different scenarios, which are beyond the Council's control.
- 1.5 Alongside the work described above, work is also taking place with partners in the Cambridgeshire and Peterborough Local Resilience Forum (CPLRF) to consider potential Brexit scenarios in the context of partnership preparation. The CPLRF has run a workshop facilitated by the Ministry of Housing Communities and Local Government (MHCLG) and continues to liaise with MHCLG. A schedule of regular CPLRF Strategic Coordination Meetings has been prepared and this will be adjusted in light of the demands that emerge. The CPLRF maintains existing plans to address disruption to supplies and services, which are available to be activated if conditions develop.

2. MAIN ISSUES

- 2.1 The current draft of the impact assessment documents sixteen potential risks. Ten of these risks have been scored as having a potentially high or very high impact should they come to fruition. All of the ten risks have been scored as possible, likely or very likely to happen. Based on this,

the highest priority risks we need to mitigate can be summarised as follows:

- Workforce issues associated with recruitment and retention of staff, both internal and those from within our commissioned services
- Ensuring our EU citizen residents are fully informed, but especially those who are vulnerable and/or to whom we have a statutory responsibility
- Community reactions, including increased community tensions
- Impact on our finances should there be a negative national financial reaction
- Interruption to supplies and services, including for example medicines and fuel supplies
- Impact on travel and road infrastructure caused by disruption to and from ports

2.2 The impact assessment at appendix 1 discusses these and other risks in more detail.

3. NEXT STEPS

- 3.1 The Service Director for Communities and Safety is the nominated strategic sponsor for Brexit preparedness for both Cambridgeshire County and Peterborough City Councils. A cross-departmental taskforce is being formed to ensure we are well positioned to respond to the developments that emerge over the coming weeks. There will also be discussions held with our partners across the public sector, particularly our district council partners, to seek to develop a single shared plan to manage the impacts of Brexit, if any, on our organisations and to maximise any opportunities which arise.
- 3.2 A communications strategy and plan is being developed along with a community engagement strategy and plan. This will help to support our work to promote the EU Settlement Scheme for EU citizens, as well as our targeted work to support EU citizen employees. Looked After Children and other vulnerable people who are EU citizens are in the process of being identified.
- 3.3 Following this report to Audit and Accounts Committee, General Purposes Committee will monitor our progress with this work as part of the Corporate Risk register process.

4. APPENDICES

- 4.1 Appendix 1- Brexit Impact Assessment

Source Documents	Location
None	N/A

		BREXIT IMPACT ASSESSMENT			
Ref	Category	Potential Impacts	Likelihood	Impact	Mitigation
BX1	Citizens Rights / Migration	Increase in community tensions causing damage to community cohesion	Likely	High	Our programme board being led by the Service Director for Communities and Safety will lead on a Communications and Community Engagement strategy, working closely with community and faith groups to communicate Government information and messaging - particularly to highlight the EU settlement scheme to the voluntary and community sector and the wider public and the importance of EU and other non UK citizens in supporting the Cambridgeshire and Peterborough economy.
BX2	Citizens Rights / Migration	Complications on rights and status of EU citizens and workers - impact on vulnerable people who may not understand requirements	Possible	High	We will identify Looked After Children and other vulnerable people who are EU citizens and support them to apply for settlement. We will engage with the community and voluntary sector, Cambridgeshire District Councils and adjoining councils to support their work with vulnerable people. Our Libraries will be available to assist people with online applications.
BX3	Supplies	Limited availability of medicinal drugs	Possible	Very High	We will prioritise national government and NHS led response (including prioritisation of medicine imports and extra six weeks of supply to overcome any import disruption) through local communication and engagement, particularly around the need for local people and health and social care providers not to stockpile medicine. The Cambridgeshire and Peterborough Local Health Resilience Partnership will have a focussed discussion on this risk at its January meeting.
BX4	Workforce	Complications on rights and status of EU citizens and workers- reduction in CCC/PCC workforce, especially in hard to fill roles such as in Adult Social Care, Children's Social Care, Education	Likely	High	We will prioritise messages that EU staff in the health and social care sector can apply for settled status now, and will be encouraged to do so, through partnership groups and to our commissioned services. There will be further targeted work with EU Employees to encourage them to apply for settled status, and to determine if they require assistance. Information is being communicated via CCC & PCC management teams to their staff about this process, as well as wider communication to reinforce information and messages. .
BX5	Workforce	Reduction in workforce in services that are commissioned by CCC and PCC; such as care workers, cleaners, security staff, construction	Very Likely	Very High	CCC & PCC will support central government advice to social care providers (encouraging business continuity plans and to support and advise their EU staff) by engaging in discussions with our providers about how they can encourage their employees to register and reassure them about any concerns they may have. Staff in the health and social care sector can apply for settled status now, and will be encouraged to do so.
BX6	Recruitment	Changes to rules for recruiting staff from outside the UK	Very Likely	Very High	Government is still consulting on elements of its new migration policy although this is likely to prioritise highly skilled workers and include an income threshold. PCC and CCC are engaging with the Home Office about the implications of these changes and will reflect these in our own planning and processes. CCC and PCC will look to maximise any opportunities this presents us with in ongoing recruitment in priority areas
BX7	Finance / Funding	Reduction of income from business rates (for example, as a result of EU-owned businesses closing)	Unlikely	Low	Low rating of risk in six month timeframe but to be kept under review.
BX8	Finance / Funding	Loss of EU funding for projects, or loss of government funding	Unlikely	Low	Government have guaranteed existing funding beyond six month timeframe. We will keep this issue under review.
BX9	Finance / Funding	Pressures on budgets from other sectors, such as increase in cost of workforce in services that we commission, as well as cost of products and materials that we purchase	Very Likely	Very High	CCC & PCC will engage in discussions with providers about how they can encourage their employees to register (and reassure them about any concerns they may have) and examine contract provisions and arrangements and review these as necessary.
BX10	Finance / Funding	General financial implications - for example, reduced value of the pound, demand placed on the national payments and banking systems, financial downturn, negative impact on the council pension scheme	Possible	High	We will work closely on this with our local MPs, central Government and relevant national representative bodies (i.e. LGA) on this issue, as this will have national implications.
BX11	Regulations / Legislation	Changes in legislation and/or regulations for food production/packaging, employment, procurement, competition law, equalities and rights, health and safety, crime and security, waste and recycling, and state aid. In the longer term-simplification of regulatory frameworks and increased flexibility	Unlikely	Medium	Existing EU legislation to be transferred into UK law at least initially. CCC & PCC will ensure that systems are in place to administer these effectively.
BX12	Regulations / Legislation	Complications in the shipping of waste	Very Rare	Low	CCC & PCC waste provision not dependent upon the need to ship waste overseas. Risk will be monitored.
BX13	Procurement	Reduced opportunity for accessing public sector contracts due to fewer procurement opportunities	Very Rare	Low	CCC & PCC contracts overwhelmingly let by UK companies so impact has been judged minimal. Risk will be monitored.
BX14	Devolution	Increase in devolved powers moving from Brussels to local government (unlikely in the first 6 months)	Unlikely	Low	Could be a positive factor and PCC and CCC will support LGA lobbying in this regard but unlikely to impact in the short term.
BX15	Transport	Potential shortage of fuel supplies would impact on staff travelling to deliver services	Possible	Very High	CCC & PCC will review business continuity plans, and request commissioned services do likewise. In addition, national government arrangements are in place to address disruption to supply of fuel, with local arrangements overseen and managed by the Local Resilience Forum.

BX16	Transport	Transport problems due to the knock-on impact of border checks/barriers to trade	Possible	High	Highways England will lead response to any issues on trunk road network. Our Local Resilience Forum has plans in place to mitigate local transport disruption caused by any crisis situation.
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**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING
30TH NOVEMBER 2018**

To: Audit & Accounts Committee

Date: 24 January 2019

From: Chief Finance Officer

Electoral division(s): All

Forward Plan ref: N/A **Key decision:** N/A

Purpose: To present financial and performance information to assess progress in delivering the Council's Business Plan.

Recommendations: The committee is asked to note the following recommendations made to General Purposes Committee on 22 January 2019:

- a) Approve additional prudential borrowing of £36,000 in 2018/19 for the North Angle Solar Farm project, as set out in section 5.7;
- b) Approve allocation of the Levy Account Surplus grant (£987,000) to the corporate grants account within Funding Items, as set out in section 6.2. This will offset pressures across the Council, reducing the transfer from the general fund reserve at year-end.

[Subject to the General Purposes Committee's agreement this change will be visible in the report up to 31Dec18]

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Tom Kelly	Names:	Councillors Count & Hickford
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1. PURPOSE

- 1.1 To present financial and performance information to assess progress in delivering the Council's Business Plan.

2. OVERVIEW

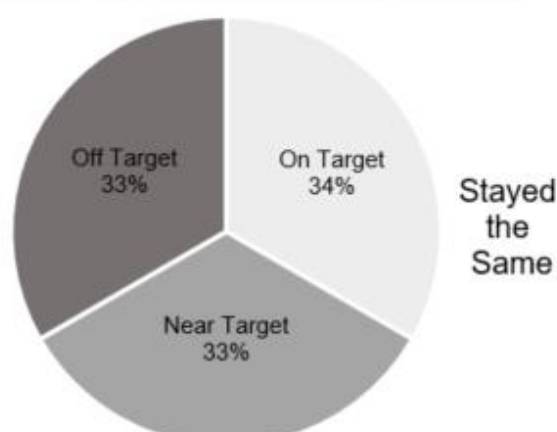
- 2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its forecast financial position at year-end and its key activity data for care budgets.

2.2 Change in indicators:

Data available as at: 30/11/2018

Outcomes: 94 indicators about outcomes are monitored by service committees. They have been grouped by outcome area and their status is shown below.

Older people live well independently



7 indicators, 4 of which do not have targets

Older people live well independently - Stayed the Same

Out of the 7 indicators for this outcome 3 have targets. One indicator was 'on target', one 'near target', and one 'off target'; they have all remained the same status since last month. The indicator that remained 'off target' was 'Average monthly number of bed day delays (social care attributable) per 100,000 18+ population' which decreased from 143 to 142, but is still above the target of 114. The council is continuing to invest considerable amounts of staff and management time into improving performance in this area, and working with colleagues in health to ensure correct and timely discharges from hospital.

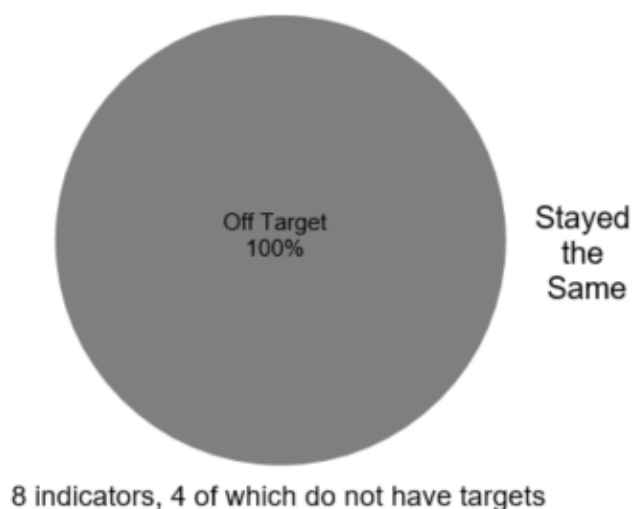
People with disabilities live well independently



People with disabilities live well independently – Improving

There are 6 indicators for this outcome and 5 have targets. 4 of these indicator's statuses did not change since last month, 1 'on target', 2 'near target', and 1 'off target'. The indicator that was 'off target' that stayed the same was 'Proportion of adults with a primary support reason of learning disability support in paid employment (year to date)'. No new data is currently available for this indicator so it still represents September's data. This is due to the ongoing migration of service data to the Mosaic system. The overall improving of performance in this indicator reflects a change in the status of the indicator 'Proportion of adults, in contact with secondary mental health services, who are in paid employment' which increased from 11.9% to 12.6% (target = >12.5%).

Adults and children are kept safe

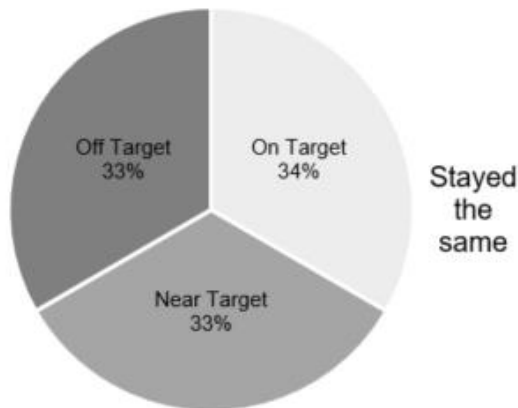


Adults and children are kept safe – Stayed the Same

There are 8 indicators for this outcome 4 of which have targets. All 4 indicators with targets have not changed status since last month, they are all still rated 'off target'. The first indicator that remained 'off target' was '% children whose referral to social care occurred within 12 months of a previous referral'. Performance for this indicator did improve; decreasing from 22.4% to 20.4%, but is still above the target of 20% (lower is better). The second indicator that remained 'off target' was 'Number of children with a Child Protection Plan per 10,000 population under 18', which increased from 36.8 to 37.1. The third indicator that remained 'off target' was 'Proportion of children subject to a Child Protection Plan for the second or subsequent time (within 2 years)'. Performance for this indicator did improve: decreasing from 13.3% to 10.1%, but is still above the target of 5%. The last indicator with a target that remained 'off target' was 'The number of looked after children per 10,000 population under 18' which increased from 53.2 (in October) to 56.3 (in November).

Further commentary about all these indicators, including the 4 that do not have a target, can be found in the People's and Communities finance and performance report.

People live in a safe environment

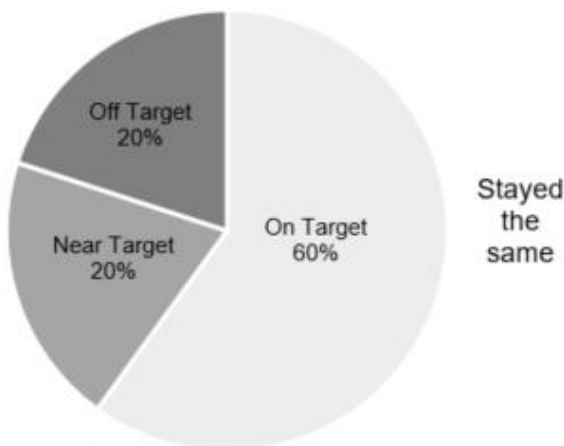


6 indicators, 3 of which do not have targets

People live in a safe environment – Stayed the same

3 out of the 6 indicators for this outcome have targets, one was 'on target', one 'near target', and one 'off target'. All three have not changed status from the previous month. The indicator that was 'off target' was 'Killed or seriously injured (KSI) casualties - 12-month rolling total'. The most recent data available for this indicator is from April 18 so its status has not changed. However, there has been a downward trend in this figure since August 2017, and if this trend continues it is anticipated to be within 10% of the target at year end.

The Cambridgeshire economy prospers to the benefit of all residents



15 indicators, 5 of which do not have targets

The Cambridgeshire economy prospers to the benefit of all residents – Stayed the same

There are 15 indicators for this outcome and 10 have targets, 6 were 'on target', 2 'near target', and 2 'off target'. All 10 indicators have not changed status from the previous month. The first indicator that was 'off target' was 'The average journey time per mile during the morning peak on the most congested routes', this was last measured in August 17 and an updated figure is not available hence the rating has not changed. The second 'off target' indicator was 'Classified road condition - narrowing the gap between Fenland and other areas of the County', this is an annual figure (2017/18) and will not be updated until the next financial year so will remain 'off target'.

Places that work with children help them to reach their potential



14 indicators, 2 of which do not have targets

Places that work with children help them to reach their potential – Worsening

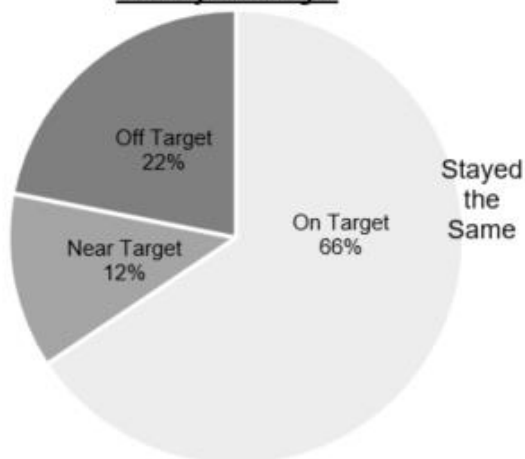
There are 14 indicators for this outcome and 12 have targets; 3 'on target', 6 'near target', and 3 'off target'. All 12 indicators with targets have not changed status since last month. The first indicator that remained 'off target' was '% of EHCP assessments completed within timescale' which decreased from 50% to 40% (target = >70%). The decrease in performance has been affected by a higher number of requests for EHCPs this year, compared to previous years. The rate of requests for an EHCP review have trebled since 2015. This is primarily as a result of increases in population and overall complexity of needs rising. In 2018, the statutory assessment team has

experienced high staff turnover and long term sickness this year. In response to these challenges, an action plan was implemented in October which increased the number of statutory assessment casework officers and refocused business support to ensure more timescales are met. The recent review of senior management structures in Education has created a new Assistant Director for SEND and Inclusion – this will help create further strategic capacity to drive reform in high needs services.

The second indicator that remained 'off target' was '% of disadvantaged households taking up funded 2 year old childcare places'. The data for this indicator reflects the summer term and as it is a termly, not monthly indicator, it will remain 'off target' until the data for the Autumn 2018 term is available.

The last indicator that remained 'off target' was 'Pupils attending schools that are judged as Good or Outstanding (Special Schools)'. This indicator decreased from 87.0% to 93.1%. However, it should be noted this decrease in percentage does not reflect a change in Ofsted ratings of any of the special schools but is due to changes in pupil numbers at the special school at the start of the new school year.

People lead a healthy lifestyle and stay healthy for longer



36 indicators, 4 of which do not have targets

People lead a healthy lifestyle and stay healthy for longer – Improving

There are 34 indicators for this outcome and 32 have targets. 21 'on target', 4 'near target', and 7 'off target'. All indicators with targets have not changed status since last month. 3 of the indicators that remained 'off target' are quarterly indicators and reflect 2018 Q2 data (Jul - September), so will remain red until then end of Q3 (October - December).

Performance for two of the indicators that remained 'off target' improved. These were 'Number of visitors to libraries/community hubs - year-to-date' which increased from 498,041 to 517,072 (target for Q1 = 600,000), and 'Smoking Cessation - four week quitters' which increased from 617 (64% of YTD target) to 787 (82% of YTD target; YTD target for September = 960).

Another of the indicators that remained 'off target' did not change in value from last month. This was '% of Tier 2 clients recruited who complete the course and achieve 5% weight

loss' which remained at 24% from September to October.
Finally, performance for the final indicator that was 'off target' decreased. This indicator was 'Number of outreach health checks carried out' which changed from 610 (68% of YTD target) to 694 (66% of YTD target; YTD target for October = 1050).

Key Pressures
<ul style="list-style-type: none">- Residential and nursing placements for older people are increasing against the April 18 baseline.- The number of children in care has significantly increased this financial year.- The number of children on a child protection plan has increased this financial year. <p>See following page for details.</p>

- 2.3 The master file of performance indicators and latest Corporate Risk Register are available [here](https://tinyurl.com/yd96a2vw), (<https://tinyurl.com/yd96a2vw>).

Finance and Risk

Revenue budget forecast

+£4.4m (1.2%)
variance at end of
year

RED

This is a £0.068m decrease
in the revenue forecast
pressure since last month.

This is a +£0.090m increase
in the forecast in-year
capital expenditure
compared to last month.

Capital programme forecast

-£8.2m (-2.8%) variance
at end of year

GREEN

Residual risk score	Green	Amber	Red
Number of risks	0	8	2

*Latest Review: July 2018

Transformation Programme	Transformation Fund
43 Early ideas ↑ 196 Business cases in development ↓ 23 Projects being implemented ↔	13 projects rated Green ↑ 1 rated Amber (reflecting some need to re-phase savings) ↔ 2 rated Red (risk of non-delivery of savings or benefits) ↔

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Nov-18	Apr-18	Trend since Apr-18
Nursing	450	410	Increasing
Residential	857	847	Increasing
Community	2,187	2,023	Increasing

Adults aged 18+ receiving long term services

	Nov-18	Apr-18	Trend since Apr-18
Nursing	31	26	Increasing
Residential	317	309	Increasing
Community	1,931	1,933	Stayed the Same

Children open to social care

	Nov-18	Apr-18	Trend since Apr-18
Looked after children	764	715	Increasing
Child protection	492	483	Increasing
Children in need*	2,181	2,225	Decreasing

*Number of open cases in Children's Social Care (minus looked after children and child protection)

Public Engagement

	Nov-18	Apr-18	Trend since Apr-18
Contact Centre Engagement	13,135 Phone Calls 5,332 Other	12,763 5,316	Increasing Decreasing
Website Engagement (cambridgeshire.gov.uk)	177,742 Users 265,624 Sessions	154,319 229,409	Increasing Increasing

The number of service users is a key indicator of the demand for care budgets in social care, information about the contacts with the public across web and phone channels is a key indicator of both service delivery and transformation.

2.4 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£4.4m (+1.2%); a decrease of £0.1m on the forecast pressure reported in October. There have been increases in People & Communities (P&C) offset by a decreased pressure in Commercial & Investment (C&I). The LGSS Operational forecast is a £76k pressure. See section 3 for details.
- The Capital Programme is forecasting a year-end underspend of -£8.2m. This includes use of the capital programme variations budget. See section 5 for details.

DRAFT

3. REVENUE BUDGET

3.1 A more detailed analysis of financial performance is included below:

Key to abbreviations

CS Financing – Corporate Services Financing
DoT – Direction of Travel (up arrow means the position has improved since last month)

Forecast Variance (Oct) £000	Service	Current Budget for 2018/19 £000	Actual (Nov) £000	Forecast Variance (Nov) £000	Forecast Variance (Nov) %	Overall Status	DoT
0	Place & Economy	55,356	35,146	-59	-0.1%	Green	↑
4,031	People & Communities	243,251	136,294	4,382	1.8%	Red	↓
-391	Public Health	629	-5,082	-391	-	Green	↔
72	Corporate Services	6,883	5,980	74	1.1%	Amber	↓
184	LGSS Managed	11,186	9,680	126	1.1%	Amber	↑
6,438	Commercial & Investment	-8,797	2,269	6,135	-	Red	↑
-1,176	CS Financing	25,983	4,808	-1,176	-4.5%	Green	↔
9,158	Service Net Spending	334,491	189,095	9,091	2.7%	Red	↑
-1,795	Funding Items	15,677	6,638	-1,795	-11.5%	Green	↑
-2,950	Open Purchase Order Reconciliation	0	-2,950	-2,950	-	Green	↔
4,413	Subtotal Net Spending	350,168	192,783	4,346	1.2%	Red	↑
Memorandum items:							
77	LGSS Operational	8,835	5,356	76	0.9%	Amber	↑
4,490	Grand Total Net Spending	359,003	198,139	4,422	1.2%	Red	↑
Schools		198,140					
Total Spending 2018/19		557,143					

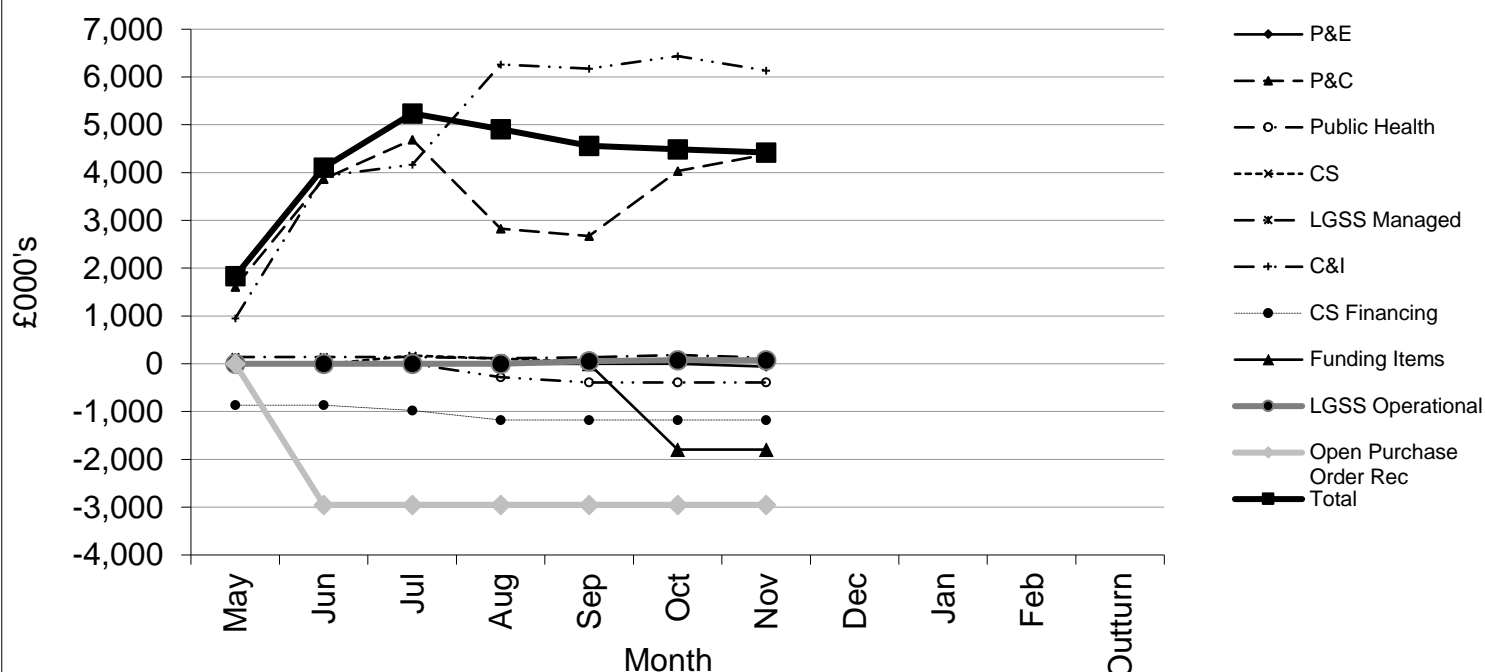
¹ The budget figures in this table are net.

² For budget virements between Services throughout the year, please see [Appendix 1](#).

³ The budget of £629k stated for Public Health consists of £391k cash limit and £238k funded from the carried forward Public Health reserve. In addition to this, Public Health has a budget of £25.4m from ring-fenced public health grant, which makes up its gross budget.

⁴ The 'Funding Items' budget comprises the £9.0m Combined Authority Levy, the £392k Flood Authority Levy and £6.2m change in general and corporate reserves budget requirement. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e. more income received than budgeted.

Forecast Outturn Position 2018/19



3.2 Key exceptions this month are identified below.

3.2.1 **Place & Economy:** -£0.059m (-%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [P&E Finance & Performance Report](https://tinyurl.com/yc8s7lh4) (<https://tinyurl.com/yc8s7lh4>).

3.2.2 **People & Communities:** +£4.382m (+1.8%) pressure is forecast at year-end.

- | | £m | % |
|---|--------|-------|
| <ul style="list-style-type: none"> Learning Disability Partnership (LDP) – a +£2.557m pressure is forecast. This is an increase of £0.305m on the position previously reported in September, of which £0.242m relates to a change since last month. This is the Council's 78% share of a pooled budget with the NHS. Increases in the forecast position for the LDP in the last several months including November have been due to changes in care costs; demand for services, mainly through changing needs of existing service-users, has consistently exceeded the monthly expectation on which budgets were based. Part of the overall pressure relates to delays to savings plans, with some expected to be delivered in 2019/20 instead of in-year, but savings delivery remains good and on track for the revised phasing. | +2.557 | (+4%) |
| <ul style="list-style-type: none"> Older People's and Physical Disabilities Services – a +£0.840m pressure is forecast across Older People's and Physical Disabilities Services. This is a £0.545m increase in the pressure previously reported last month. Both services are seeing increasing prices for residential and nursing placements; unit costs of all types of care are generally increasing month-on-month and | +0.840 | (+1%) |

the mix of placements is shifting towards more expensive care types, especially nursing care. This is partially due to moving into winter, as well as work to accelerate discharges from hospitals, and is exacerbated by constrained capacity in the domiciliary care market. Work is underway to address these issues, particularly the latter, with funding announced by central government in the recent budget. Savings delivery in year has been on target, and the service is engaged in the Adults Positive Challenge Programme to enhance preventative services in the future and better manage demand on services.

- Looked After Children (LAC) Transport**– a +£0.300m pressure is forecast. LAC Transport is anticipated to be £300k over budget, as a result of an overall increase in Looked after Children, meaning that more children are requiring Home to School Transport. Many of these children are placed out of county and/or at a significant distance away from their schools leading to high transport costs. *(Please note that this pressure was included in the October forecast figures but the exception reporting was omitted from the Integrated Resources & Performance Report in error.)*

+0.300	(+18%)
--------	--------
- Strategic Management – Adults** – a -£2.916m underspend is forecast. This is a £0.430m increase in the underspend position previously reported last month. A number of mitigations have been applied to this budget line to offset care cost pressures across Adult Social Care. The majority of this is the application of grants from central government, specifically elements of the Improved Better Care Fund and Adult Social Care Support grants, which are given for the purpose of meeting demand pressures on the social care system and to put in place measures to mitigate that demand.

-2.916	(-38%)
--------	--------
- A combination of more minor variances, and previously reported exceptions disclosed in individual reports sum with the above to lead to an overall outturn of +£4.382m. For full and previously reported details see the [P&C Finance & Performance Report \(https://tinyurl.com/yaws8sj4\)](https://tinyurl.com/yaws8sj4).

3.2.3 **Public Health:** -£0.391m (-%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [PH Finance & Performance Report \(https://tinyurl.com/ydeulzyx\)](https://tinyurl.com/ydeulzyx). *(Please note that the Public Health report will be available at the link above following the publication of the Health Committee agenda.)*

3.2.4 **Corporate Services:** +£0.074m (+1.1%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report \(https://tinyurl.com/y7cepmqn\)](https://tinyurl.com/y7cepmqn).

3.2.5 **LGSS Managed:** +£0.126m (+1.1%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report \(https://tinyurl.com/y7cepmqn\)](https://tinyurl.com/y7cepmqn).

- 3.2.6 **CS Financing:** -£1.176m (-4.5%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).
- 3.2.7 **Commercial & Investment:** +£6.135m (-%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [C&I Finance & Performance Report](https://tinyurl.com/y9fumwky) (<https://tinyurl.com/y9fumwky>). *(Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)*
- 3.2.8 **Open Purchase Order Reconciliation:** -£2.950m underspend is forecast. There are no exceptions to report this month.
- 3.2.9 **LGSS Operational:** +£0.076m (+0.9%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).

Note: exceptions relate to Forecast Outturns that are considered to be in excess of +/- £250k.

4. KEY ACTIVITY DATA

- 4.1 The latest key activity data for: Looked After Children (LAC); Special Educational Needs (SEN) Placements; Adult Social Care (ASC); Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest [P&C Finance & Performance Report](https://tinyurl.com/yaws8sj4) (section 2.5) (<https://tinyurl.com/yaws8sj4>).

5. CAPITAL PROGRAMME

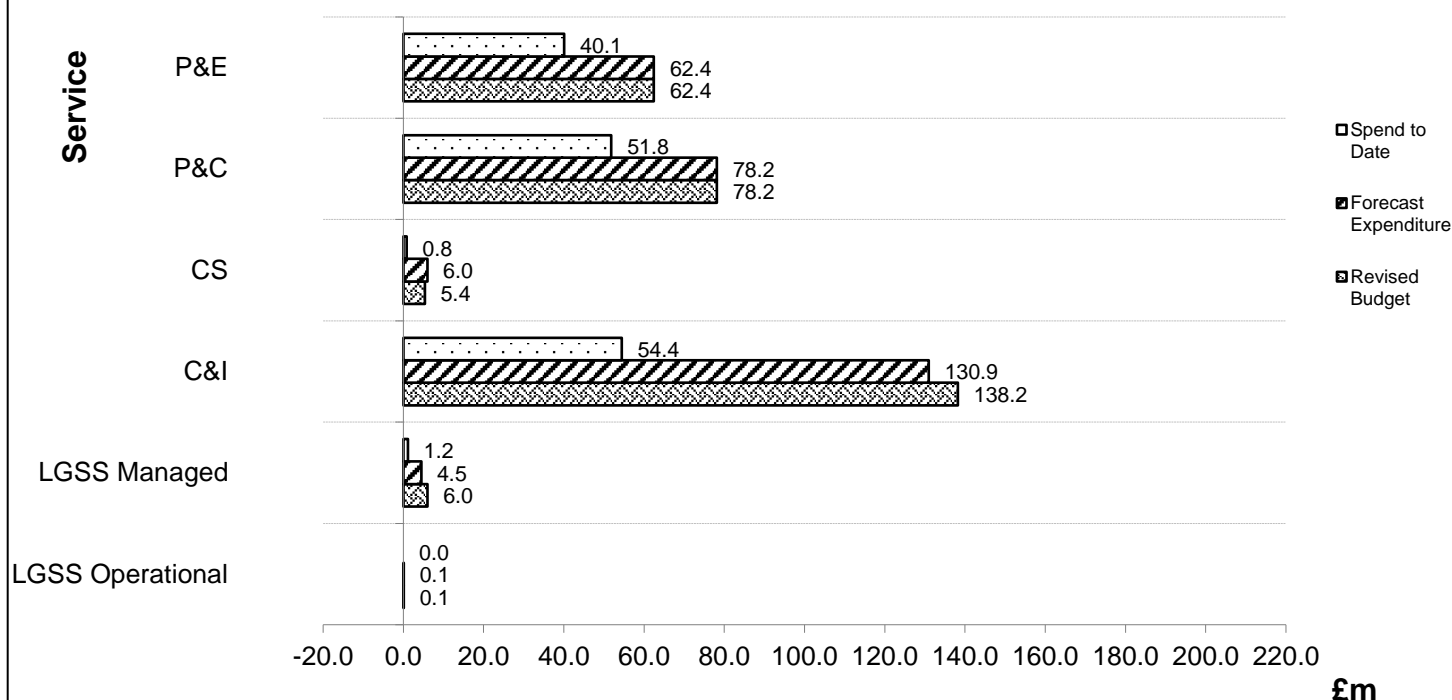
5.1 A summary of capital financial performance by service is shown below:

2018-19							TOTAL SCHEME	
Original 2018/19 Budget as per Business Plan £000	Forecast Variance - Outturn (Oct) £000	Service	Revised Budget for 2018/19 £000	Actual- Year to Date (Nov) £000	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %	Total Scheme Revised Budget (Nov) £000	Total Scheme Forecast Variance (Nov) £000
35,956	-	P&E	62,449	40,060	-	0.0%	445,596	-
87,820	-0	P&C	78,157	51,807	-0	0.0%	669,433	15,751
2,038	516	CS	5,369	835	606	11.3%	19,437	-
6,415	-1,556	LGSS Managed	6,013	1,162	-1,556	-25.9%	6,963	-172
123,274	-7,277	C&I	138,217	54,414	-7,277	-5.3%	266,164	-147
-	-	LGSS Operational	134	-	-	0.0%	2,025	-
-	-	Outturn adjustment	-	-	-	-	-	-
255,503	-8,317	Total Spending	290,339	148,277	-8,227	-2.8%	1,409,618	15,432

Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 5.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2018/19 of £26.1m and is currently forecasting a balanced budget at year-end
3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.

Capital Programme 2018/19



Note: The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted.

5.2 A summary of the use of capital programme variations budgets by services is shown below. As forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when re-phasing exceeds this budget.

2018/19					
Service	Capital Programme Variations Budget	Forecast Variance - Outturn (Nov)	Capital Programme Variations Budget Used	Capital Programme Variations Budget Used	Revised Forecast Variance - Outturn (Nov)
	£000	£000	£000	%	£000
P&E	-14,931	-6,039	6,039	40.45%	0
P&C	-10,469	-8,360	8,360	79.86%	-0
CS	-951	606	0	0.00%	606
LGSS Managed	-1,479	-3,035	1,479	100.00%	-1,556
C&I	-33,805	-41,082	33,805	100.00%	-7,277
LGSS Operational	0	0	0	-	0
Outturn adjustment	-	-	-	-	-
Total Spending	-61,635	-57,910	49,683	80.61%	-8,227

5.3 As at the end of November 2018, LGSS Managed and Commercial and Investment schemes have exceeded the capital variations budget allocated to them, forecasting in-year underspends of -£1.6m and -£7.3m respectively. At this stage of the financial year it is thought that the position across the whole programme will be an underspend, so no adjustment has been made to the outturn.

5.4 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.25m or greater are identified below.

5.4.1 **Place & Economy:** a balanced budget is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> Delivering the Transport Strategy Aims – an in-year underspend of -£0.25m is forecast across Delivering the Transport Strategy Aims schemes. This is primarily due to rephasing on the following scheme: <ul style="list-style-type: none"> Cycling Improvements: an in-year underspend of £0.2m is forecast. In relation to the Papworth to Cambourne project, Highways England have now secured some funding from their central ‘Designated Funds’. Their consultants will undertake the detailed design of this scheme. As a result there will be less spend on this project for this financial year than originally anticipated, with funding carried forward into 2019/20. 	-0.3	(-8%)
<ul style="list-style-type: none"> Cycling Schemes – an in-year underspend of -£1.0m is forecast across Cycling Schemes. This is primarily due to rephasing on the following scheme: <ul style="list-style-type: none"> Abbey-Chesterton Bridge: an in-year underspend of £1.0m is forecast. The construction contract has now been let to Tarmac and it is forecast that the outturn spend will be £1.0m less than originally profiled, due to delays in finalising land deals, and will be carried forward into 2019/20. The Tarmac contract includes the new bridge as well as Phase 1 of The Chisholm Trail, with completion planned for mid-2020. 	-1.0	(-32%)
<ul style="list-style-type: none"> P&E Capital Variation – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £6.0m underspend is balanced by use of the capital variations budget; this is an increase of £1.2m on the use of variations budget reported last month and relates primarily to the underspends on Cycling Improvements and Abbey-Chesterton Bridge as reported above. 	+6.0	(+40%)
<ul style="list-style-type: none"> For full and previously reported details see the P&E Finance & Performance Report (https://tinyurl.com/yc8s7lh4). 		

5.4.2 **People & Communities:** a balanced budget is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> • Basic Need – Secondary – an in-year underspend of -£7.6m is forecast. This is a decrease of £0.3m on the underspend previously reported last month. This is mainly due to accelerated spend on the following scheme: <ul style="list-style-type: none"> ○ Cambourne Village College; The forecast rephasing on the scheme has reduced from £1,932k to £1,599k since last month; £333k accelerated spend is forecast as enabling works for the site and the haul road have begun approximately 6 weeks ahead of the anticipated schedule. 	-7.6	(-21%)
<ul style="list-style-type: none"> • P&C Capital Variation – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £8.4m underspend is balanced by use of the capital variations budget; this is a decrease of £0.4m on the use of variations budget reported last month and primarily relates to the decreased underspend on Basic Need – Secondary schemes as reported above. 	+8.4	(+80%)
<ul style="list-style-type: none"> • For full and previously reported details see the P&C Finance & Performance Report (https://tinyurl.com/yaws8sj4). 		

5.4.3 **Corporate Services:** a +£0.6m (+11%) in-year pressure is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> • Capitalisation of Transformation Team – an in-year pressure of +£0.3m is forecast. A greater proportion of the cost of the Transformation Team is being funded from capital receipts in 2018/19 due to a decrease in the amount of Transformation Team work being funded from other sources. In addition to this, some staff time in HR will also be funded from capital receipts. All of this pressure is offset by capital receipts. 	+0.3	(+23%)
<ul style="list-style-type: none"> • For full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/y7cepmqn). 		

5.4.4 **LGSS Managed:** a -£1.6m (-25.9%) in-year underspend is forecast after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report \(https://tinyurl.com/y7cepmqn\)](https://tinyurl.com/y7cepmqn).

5.4.5 **Commercial & Investment:** a -£7.3m (-5.3%) in-year underspend is forecast after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full and previously reported details see the [C&I Finance & Performance Report \(https://tinyurl.com/y9fumwky\)](https://tinyurl.com/y9fumwky). *(Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)*

5.4.6 **LGSS Operational:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report \(https://tinyurl.com/y7cepmqn\)](https://tinyurl.com/y7cepmqn).

- 5.5 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.25m or greater are identified below:
- 5.5.1 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [P&E Finance & Performance Report](https://tinyurl.com/yc8s7lh4) (<https://tinyurl.com/yc8s7lh4>).
- 5.5.2 **People & Communities:** a +£15.8m (+2%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [P&C Finance & Performance Report](https://tinyurl.com/yaws8sj4) (<https://tinyurl.com/yaws8sj4>).
- 5.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).
- 5.5.4 **LGSS Managed:** a -£0.2m (-3%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).
- 5.5.5 **Commercial & Investment:** a -£0.1m (-0%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [C&I Finance & Performance Report](https://tinyurl.com/y9fumwky) (<https://tinyurl.com/y9fumwky>). *(Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)*
- 5.5.6 **LGSS Operational:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).

5.6 A breakdown of the changes to funding has been identified in the table below.

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding ¹ £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.5	4.1	-0.4	2.4	23.6	23.6	-
Basic Need Grant	24.9	-	-	-	24.9	24.9	-
Capital Maintenance Grant	4.0	-	0.2	-	4.2	4.2	-
Devolved Formula Capital	1.0	0.7	-	-0.1	1.6	1.6	-
Specific Grants	6.5	4.4	-1.0	-	9.9	8.2	-1.8
S106 Contributions & Community Infrastructure Levy	11.0	3.0	-0.5	-0.5	12.9	11.8	-1.1
Capital Receipts	81.1	-	-15.9	-	65.2	45.7	-19.5
Other Contributions	12.1	-	-3.6	5.9	14.3	14.2	-0.1
Revenue Contributions	-	-	-	-	-	-	-
Prudential Borrowing	97.3	92.4	-70.9	14.8	133.6	147.8	14.2
TOTAL	255.5	104.6	-92.2	22.5	290.3	282.1	-8.2

¹ Reflects the difference between the anticipated 2017/18 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2018/19 Business Plan, and the actual 2017/18 year end position.

- 5.7 Additional funding of £36k is requested in 2018/19 for the North Angle Solar Farm project. This project is to construct a solar farm on 200 acres of rural estate property bordering CCC's solar farm at Triangle Farm with a view to generate income from the sale of electricity and contribute to national carbon reduction targets. The North Angle Solar Farm is estimated to generate over 33,000 MWh per year which is equivalent to the amount used by about 9,000 households per year; the scheme will therefore avoid a significant amount of carbon dioxide entering the atmosphere. The electricity generated will create a net revenue of £500k in the first year, increasing with expected increases in the generation tariff. The full scheme budgets will be submitted for approval as part of the 2019-20 Business Planning process; the 2018/19 funding requires GPC approval now to fund initial planning and design work including an Investment Grade Proposal. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme (total borrowing £23.218m) will start in 2021/22 at £1.493m, and decreases each year thereafter.

General Purposes Committee is asked to approve additional prudential borrowing of £36,000 in 2018/19 for the North Angle Solar Farm project.

6. FUNDING CHANGES

- 6.1 Where there has been a material change in 2018/19 grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require Strategic Management Team (SMT) discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the GPC for approval.

6.2 Surplus on the Levy Account additional allocation

In the Provisional Local Government Finance Settlement 2019/20 published on 13th December 2018 the Government announced its intention to distribute £180m of the surplus on the 2018-19 business rates retention levy account to local authorities. National Non-Domestic Rates (NNDR3) data published on 21 November 2018 confirmed that, as a result of growth in business rates collected by authorities in 2017-18 and the associated levy payments, there is a surplus in the Government's 2018-19 levy account.

The provisional allocations of £180m of the levy account surplus are based on the 2013-14 settlement funding assessment – the sum of each local authority's Revenue Support Grant and Baseline Funding Level allocations. Cambridgeshire County Council's provisional allocation is £987k.

It is proposed that this additional income is held in the corporate grants section of Funding items, and transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval.

General Purposes Committee is asked to approve the allocation of the Levy Account Surplus grant (£987,000) to the corporate grants account within Funding Items. This will offset pressures across the Council, reducing the transfer from the general fund reserve at year-end.

6.3 Adult Social Care Winter pressures grant

The Council is receiving an additional £2.324m in 2018-19 to spend on Adult Social Care to alleviate winter pressures. The Council is required to certify that the totality of this

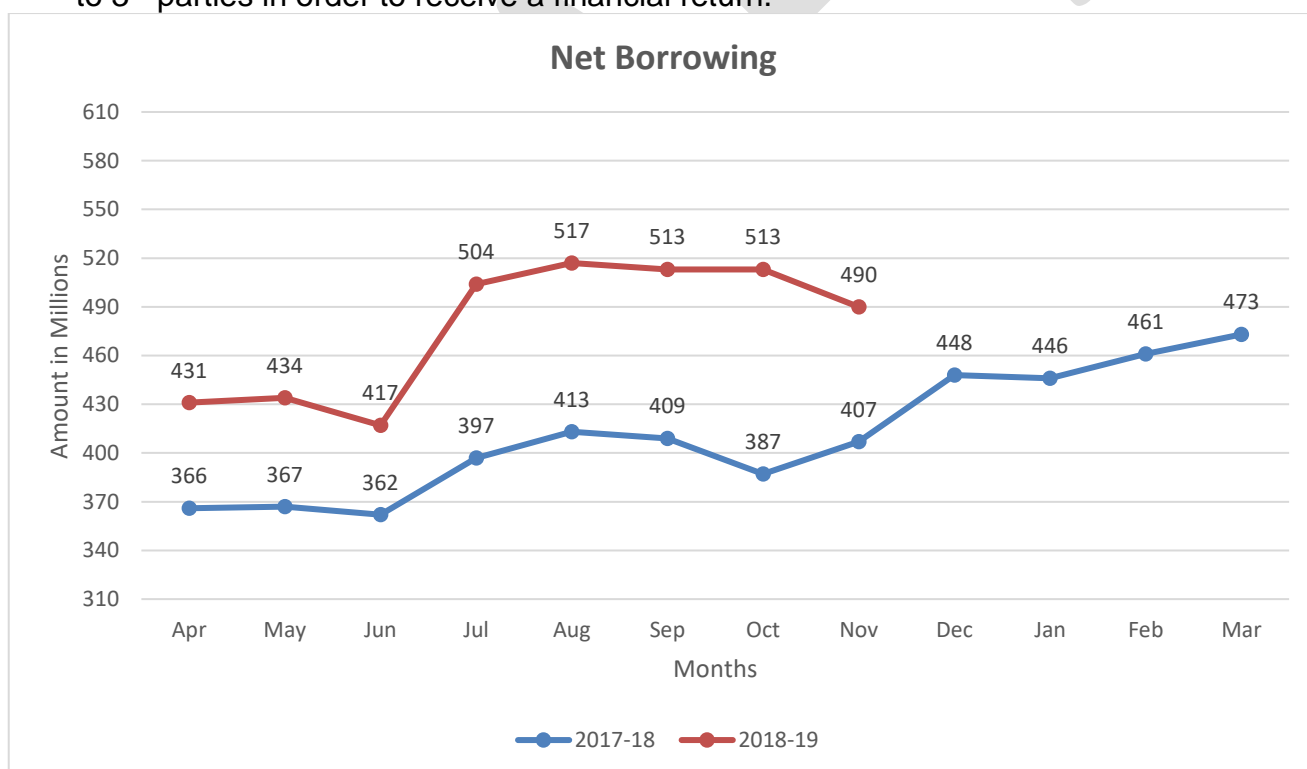
funding will be spent on Adult Social Care, meaning that the funds are ring-fenced and so must be allocated to the Adults Committee rather than as determined by GPC. The December meeting of the Adults Committee considered the distribution of this grant and related issues in more detail (see item 4 at <https://tinyurl.com/item4AdulWint>).

7. BALANCE SHEET

7.1 A more detailed analysis of balance sheet health issues is included below:

Measure		Year End Target	Actual as at the end of Nov 2018
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£4.06m
	Sundry	£1.71m	£5.13m

7.2 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of November 2018 were £68m (excluding 3rd party loans) and gross borrowing was £558m. Of this gross borrowing, it is estimated that £115m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



7.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2018-19 TMSS was set in February 2018, it was anticipated that net borrowing would reach £683m at the end of this financial year. Based upon latest projections of Balance Sheet cash-backed reserves and the Capital Programme borrowing requirements, this is now forecast to be lower at £630m. This position will be monitored as the year progresses to establish the full year final position.

- 7.4 From a strategic perspective, the Council is currently utilising cash backed balances and undertaking shorter term borrowing to generate net interest savings. This approach carries with it interest rate risk, and officers are monitoring options as to the timing of any potential longer term borrowing should underlying rates be forecast to rise in a sustained manner.
- 7.5 There is a link between the annual capital programme borrowing requirement, the net borrowing position and consequently net interest charges. However, the Debt Charges budget is formulated in the context of additional factors including projected levels of cash backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.
- 7.6 The Council's cash flow profile varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, Council tax etc.). Cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend.
- 7.7 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](https://tinyurl.com/y84h4899), (<https://tinyurl.com/y84h4899>).
- 7.8 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in [Appendix 2](#).

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

8.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

8.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

This report provides the latest resources and performance information for the Council and so has a direct impact.

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

9.4 Equality and Diversity Implications

There are no significant implications within this category.

9.5 Engagement and Consultation Implications

No public engagement or consultation is required for the purpose of this report.

9.6 Localism and Local Member Involvement

There are no significant implications within this category.

9.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	No Name of Legal Officer: Not applicable
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	No Name of Legal Officer: Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any engagement and communication implications been cleared by Communications?	No Name of Officer: Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any Public Health implications been cleared by Public Health	No Name of Officer: Not applicable

Source Documents	Location
P&E Finance & Performance Report (November 18) P&C Finance & Performance Report (November 18) PH Finance & Performance Report (November 18) CS and LGSS Cambridge Office Finance & Performance Report (November 18) C&I Finance & Performance Report (November 18) Performance Management Report & Corporate Scorecard (November 18) Capital Monitoring Report (November 18) Report on Debt Outstanding (November 18)	1 st Floor, Octagon, Shire Hall, Cambridge

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APPENDIX 1 – transfers between Services throughout the year (only virements of £1k and above (total value) are shown below)

	P&C	Public Health	P&E	CS Financing	Corporate Services	LGSS Managed	C&I	LGSS Op	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	239,124	629	41,428	25,983	7,207	11,126	-8,188	8,871	33,685
Post BP adjustments	208				203	58	-433	-36	
Greater Cambridge Partnership budgets not reported in CCC budget					-863				
Use of earmarked reserves for Community Transport			84						-84
Cleaning contract savings transfer					36		-36		
Organisational structure review	-70				70				
Use of earmarked reserves for Community Transport			211						-211
Funding from General Reserves for Children's services reduced grant income expectation as approved by GPC	295								-295
Funding from General Reserves for New Duties – Leaving Care as approved by GPC	390								-390
Savings forthcoming from change in LEP governance arrangements applied to corporate savings target			-43		43				
Grand Arcade shop rental income transfer from Libraries to Property Services			50				-50		
Use of Smoothing Fund Reserve for P&C	3,413								-3,413
Transfer of advocacy budget to Corporate Services	-95				95				
Transfer of LGSS Law dividend target to C&I							-90	90	
Transfer of Monitoring Officer budget to Corporate services					90			-90	
Transfer of Bookstart contribution from Children's centres to Library services	-12		12						
Technical adjustment re Combined Authority Levy			13,615						-13,615
Current budget	243,252	629	55,357	25,983	6,881	11,184	-8,797	8,835	15,677
Rounding	1	0	1	0	-1	-1	1	0	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2018	2018-19		Forecast Balance 31 March 2019	Notes
		Movements in 2018-19	Balance at 30 November 2018		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	13,392	2,568	15,960	11,538	Service reserve balances transferred to General Fund after review
- Services					
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	0	0	0	0	
subtotal	13,392	2,568	15,960	11,538	
Earmarked					
- Specific Reserves					
5 Insurance	3,175	-1,135	2,040	2,040	
subtotal	3,175	-1,135	2,040	2,040	
- Equipment Reserves					
6 P&C	64	0	64	0	
7 P&E	30	-30	0	0	
8 CS	30	-27	3	3	
9 C&I	680	-654	26	0	
subtotal	804	-711	93	3	
Other Earmarked Funds					
10 P&C	514	-88	426	149	Includes liquidated damages in respect of the Guided Busway
11 PH	2,567	0	2,567	2,069	
12 P&E	5,382	-242	5,140	3,780	
13 CS	2,628	-186	2,442	2,865	Savings realised through change in MRP policy
14 LGSS Managed	63	0	63	0	
15 C&I	552	106	658	658	
16 Transformation Fund	21,877	7,139	29,016	21,738	This table has been presented on the basis of the £3.413m draw down approved in the August IR&PR section 6.2.
17 Innovate & Cultivate Fund	844	-148	696	453	
18 Smoothing Fund	0	0	0	0	
subtotal	34,427	6,581	41,009	31,712	
SUB TOTAL	51,799	7,303	59,102	45,293	
Capital Reserves					
- Services					
18 P&C	778	20,258	21,036	0	Section 106 and Community Infrastructure Levy balances.
19 P&E	10,200	-5,257	4,943	1,000	
20 LGSS Managed	0	0	0	0	
21 C&I	0	34,309	34,309	52,590	
22 Corporate	43,561	15,350	58,910	47,071	
subtotal	54,539	64,660	119,198	100,661	
GRAND TOTAL	106,338	71,962	178,300	145,954	

In addition to the above reserves, specific provisions have been made that set aside sums to meet both current and long term liabilities that are likely or certain to be incurred, but where the amount or timing of the payments are not known. These are:

Fund Description	Balance at 31 March 2018	2018-19		Forecast Balance 31 March 2019	Notes
		Movements in 2018-19	Balance at 30 November 2018		
	£000s	£000s	£000s	£000s	
- Short Term Provisions					
1 P&E	55	0	55	0	
2 P&C	200	0	200	200	
3 CS	0	0	0	0	
4 LGSS Managed	3,460	0	3,460	3,460	
5 C&I	0	0	0	0	
subtotal	3,715	0	3,715	3,660	
- Long Term Provisions					
6 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	7,328	0	7,328	7,273	

Community Transport Action Plan - Update

To: Audit & Accounts Committee

Meeting Date: 24th January 2019

From: Duncan Wilkinson, Chief Internal Auditor

Purpose: To provide the Committee with an update on progress with the Community Transport Action Plan, following the previous update to Committee on the 22nd November 2018.

To highlight matters arising as part of the implementation of these actions, and invite the views of Committee members.

Recommendation: Audit & Accounts Committee is requested to note the progress with the Action Plan.

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Duncan Wilkinson	Names:	Councillor Mike Shellens
Post:	LGSS Chief Internal Auditor	Post:	Chair of Audit & Accounts
Email:	Duncan.Wilkinson@Milton-Keynes.gov.uk	Email:	Shellens@waitrose.com
Tel:	01908 252089	Tel:	01223 699170

1. BACKGROUND

- 1.1 There was a major review of Community Transport in Cambridgeshire, culminating in the public meeting on July 31st 2018. A twelve-page Action Plan, presented by the Chief Executive, was reviewed in detail. Additional actions were agreed during the meeting, and these have been added to a final full action plan.
- 1.2 During the meeting it was agreed that Audit & Accounts would maintain oversight of the implementation of recommendations, to ensure they are carried out as planned. The most recent update on Action Plan progress was brought to the meeting of the Committee on the 22nd November 2018.

2. CURRENT PROGRESS

- 2.1 A copy of the Action Plan, showing only actions which were not marked as 'complete' at the previous Committee meeting, is provided at Appendix 1. In this document, the numbering of actions has been retained from the original full Action Plan, to ensure continuity.
- 2.2 At the November meeting of the Committee, of the 66 actions in the full Action Plan, 52 (79%) were marked as complete, with evidence provided.
- 2.3 Of the 14 actions which had not been completed at the time of the previous meeting:
 - 4 are ongoing actions, with no expected end date (29%)
 - 3 actions have been marked as completed (21%)
 - 7 remain in progress (50%)
- 2.4 Committee is requested to note the progress with implementation of the Action Plan.

3. MATTERS ARISING

Key areas for the Committee to be aware of are highlighted below.

3.1 Internal Audit Visit to FACT, HACT & ESACT (FH&E):

Internal Audit undertook a visit to FH&E on the 23rd November 2018. The intention of the visit was to confirm the processes for financial segregation between the commercial and charitable arms of the organisation, including a review of charging for use of vehicles by the commercial arm.

The detailed findings of Internal Audit are set out in the visit report which was provided to FH&E, presented at Appendix 2.

The visit identified a number of issues with the financial segregation between the commercial and charitable arms of the organisation. The weaknesses highlighted in the report have been accepted by the Trustees of FH&E, and Chairman has confirmed that a number of short-term actions have already been put in place to strengthen the organisations' accounting systems, including improvements to accounting for trading

between the charitable and commercial organisations, and payment of interest on the loans used to set up the commercial entities.

The Trustees of FH&E have also recognised that the issues identified in the report represent failings in the initial set-up of the commercial trading subsidiaries and their relationship with the not-for-profit entities. In order to address the issues in full, a plan is being developed for a potential restructure of all the entities within FH&E. The Trustees will be seeking professional advice on the plans as well as consulting with major grant funders, including Cambridgeshire County Council, in the interests of transparency.

The Trustees have committed to share their plans to address these issues, once these are agreed at the next Trustees Meeting on the 14th January.

3.2 Review of Public Funding:

PKF's original report on their investigation into Community Transport concluded that FH&E's commercial fleet had, at least in part, been subsidised from public funds. PKF were subsequently commissioned to provide an independent estimate of the extent to which such funding subsidised the growth of this commercial fleet, to provide a basis for recovery action to be taken by the Council, in line with the request from the Audit & Accounts Committee.

The draft report from PKF on this matter has now been received, and is due to be discussed by senior management at a meeting on 15th January. Updates on progress will be provided to the Chair and Vice Chair of the Audit & Accounts Committee.

3.3 East Cambs Connect Contract:

Internal Audit has identified that, although it was believed that all County Council contracts with FH&E had been re-tendered in 2018, one contract with ESACT for provision of the East Cambs Connect service has not been re-tendered. This was overlooked in the service's reporting on the action to ensure that all commercial transport providers were operating under a Public Service Vehicle Operator's License ("O License") or taxi license (Action 19 in the Community Transport Action Plan). This contract is currently delivered by the ESACT charity, under a Section 22 Licence issued by the Traffic Commissioner.

At the time that FH&E contracts were being re-tendered, senior management agreed that it was appropriate to exempt this contract from being re-tendered. The contract had been awarded on the 18th August 2016, with a contract start date of April 2017, and had therefore been tendered more recently than some of the other affected contracts. The contract related to provision of the government-funded Total Transport project, and it was felt that the trial period of the project should be completed to allow for an initial evaluation of the project.

The current contract expires in 2022 and requires six months' notice to break, which has now been given. Evaluation of the Total Transport project has taken place, and the contract will therefore be re-tendered, with an expected start date in July.

The new contract will require the service provider to operate with a full PSV Operator's Licence ("O Licence"), and successful re-tender of this contract will therefore ensure that all

commercial transport providers to Cambridgeshire County Council are operating under an O License or taxi license.

3.4 External Officer Review of Freedom of Information (FOI) Requests:

An officer from Peterborough City Council was asked to investigate issues highlighted in the PKF report, regarding problems with inaccurate responses to FOI requests. This report has now been provided to the Chief Executive. Several recommendations have been made as part of the report, and the intention is that the Council will produce an agreed action plan to address the report's findings, which can be appended to the existing Community Transport Action Plan. The full detail of these actions will be reported to the next meeting of Audit & Accounts Committee and in the interim, updates will be provided to the Chair and Vice Chair of the Committee to evidence progress.

SOURCE DOCUMENTS

Source Documents	Location
Community Transport Action Plan	Internal Audit Octagon 1, Shire Hall, Cambridge

Community Transport Action Plan Log

Update for Audit & Accounts Committee - As At 11th January 2019 (Committee Reporting Deadline)

* Action Log: Page, item no, Action section, item

Minute16/08/2018: Page, Para

	Onus	Issue	Source*	Progress	Document Cross-Reference	Notes	Next Action	By	Due
19	CCC	All FH&E contracts to be retendered.	AL 7 33.2	In Progress	21.1 (Home to School Mainstream Contracts) 21.2 (Home to School Mainstream Contracts) 21.3 (Home to School SEN Contracts) 21.4 (Ad Hoc Day Centre Contracts) 25.1 (Local Bus Contracts) 25.2 - 6 (Local Bus Awards) 26.1 - 2 (Day Centre Contracts)	Day centre contracts re-tendered and awarded April 2018. Home to School contracts re-tendered and awarded July 2018. Ad Hoc Day Centre contracts terminated August 2018 for re-tender. Local Bus service contracts re-tendered and awarded 4th October 2018. It has now been identified that a contract with ESACT to provide the Total Transport Service has not yet been re-tendered. This is discussed in full in the supporting report to Committee, and the intention is that this contract will now be re-tendered.			
24	CCC	The Council must consider how to ensure that it does not continue to confer advantage on FH&E because of past actions, and take action to ensure this is not the case. (also see 30)	M 11.2	Complete	Action Plan PKF Report	As reported to Committee against the present action plan, the council has taken steps to ensure that advantage is not conferred on FH&E going forward and to re-tender contracts etc. The final outstanding area in this regard is to reclaim any monies in respect of State Aid; and to reclaim funds as appropriate to rectify any past advantage conferred through over-funding. This is being followed up separately at Action 30 (below), and consequently this action 24 has now been closed.			
30	CCC	Any money to be reclaimed in respect of State Aid or otherwise would be so. (also see 24)	M 10.3 AL 5 18.1.4	In Progress	TBC	PKF have produced a draft report looking at calculating any competitive advantage conferred on FH&E through previous grant awards. The report and supporting analysis is to be discussed by senior management at a meeting on 15th January.			
31	CCC	Annual review of outcomes and benefits from the grant awards will be reported to E & E Committee.	M 8.6	In Progress	TBC	This is planned as part of the new grant framework, but the first report will not take place until a year after the first grant award, which has not yet occurred.			
34	CCC	A & A to receive action implementation reports and provide robust review.	M 3.1	Ongoing	N/A	Working Party formed.	Prepare reports	I A	Sep-18
37	CCC	The report on the Member role on Outside Bodies to be shared with District Councils.	M 13.7	Complete	4.1 (Report) 4.2 (Guidance) 31.1 (Distribution)	The new guidance document has been approved and published on the Council's website, and the Chief Executive has circulated this to the District Councils.			
41	CCC	Chief Executive to share the outcomes of the investigation into the FOI requests with Audit & Accounts Committee.	M 13.5	In Progress	N/A	The investigation report has now been shared with the Chief Executive and an action plan to respond to its findings is under development. This will be shared with the March 2019 meeting of the Committee.			

44	CCC	CCC to check that O or taxi licences are in place for commercial providers.	AL 8 37.2.2 M 12.2	Complete	24.1 (Schools checks) 32.1 (Day centres)	This is currently monitored as part of Home to School contracts, and checks have now also been carried out for Day Centre and commercial bus services. Records of monitoring checks have been seen by Internal Audit for Home to School contracts and Day Centres. Evidence of checks taking place has been seen for Commercial Bus checks, although the service is also currently working to update their formal contract monitoring documentation, to ensure there is a more comprehensive record and audit trail of these checks in future. This action is therefore recommended to be marked as complete.			
52	CCC	Report State Aid issue to the Mayor, in relation to the Bus Review.	M 9.3	In Progress	TBC	Dependent on action 24, above.			
53	CCC	Chief Executive to report state Aid issue to other District Councils.	M 8.6	In Progress	TBC	As above. The Chief Executive has liaised with District Councils to ensure they are aware of the issue, but a final calculation of the estimated level of state aid is required before progression.			
62	CCC	Demonstrate that Action Plan actions are put in place.	M 10.1	Ongoing	N/A	Working Party formed.			
64	CCC	Further update reports would be received by Audit & Accounts Committee until implementation is complete.	M 16.4	Ongoing	N/A	Working Party formed.			
65	CCC	Transfer of payments to PKF from Milton Keynes Council to the Cambridgeshire financial system would take place.	M 15.1	In Progress	TBC	Initial transfer made. Action remains ongoing to transfer final balance to CCC.			
66	CCC	Member consideration of how best to provide community transport services to be deferred until all possibilities including the Mayor's Bus review, could be taken into consideration.	M 15.2	Ongoing	N/A				

Appendix 2

Cambridgeshire County Council Internal Audit visit to FH&E

Review of Financial Segregation between Not-For-Profit Organisations and Trading Subsidiaries

23rd November 2018

1. Introduction & Background:

The visit was intended to review the current arrangements at FH&E for the financial segregation of its not-for-profit organisations from its trading companies. A number of areas for improvement were identified, which are detailed below.

It is noted that FH&E are in the process of transitioning to a new accounting system, and the current Head of Finance & Funding has been in post for less than two months. Consequently the current arrangements are in a state of transition

This document was prepared with reference to the guidance document '*Trustees, Trading and Tax: How Charities May Lawfully Trade (CC35)*' published by the Charity Commission for England and Wales.¹ References to the relevant requirements of this guidance are provided in green. Two of the three not-for-profit organisations run by FH&E are registered as charities and therefore this guidance would apply; however, FACT is a Registered Society rather than a charity, and therefore may be subject to different requirements. Registered societies are subject to the requirements of the *Co-Operative and Community Benefit Societies Act (2014)*. If HMRC has agreed to charitable recognition of FACT, then the same requirements as those placed on registered charities may apply, but it is recommended that FH&E may wish to seek further professional advice in this respect.

2. Loans to trading companies:

The not-for-profit organisations (henceforth 'NFPOs') FACT, HACT and ESACT each funded the launch of their associated trading company through a capital loan. The size of these loans varied but they are of significant value, with the highest-value loan being £152,000 to the Fenland ACT Trading Company.

Currently, no loan agreements exist to cover this arrangement and no interest has been paid. The trading companies ('TCs') are repaying the loans; when payments for contracts come into the TC bank account, the money is currently being transferred to the NFPO and a record is being kept of how much has been repaid. This is currently not in line with charities financial rules and may expose the NFPOs to a tax risk, as the loan may currently be regarded by HMRC as "non-charitable expenditure". This arrangement also does not provide assurance over the segregation of finances between the not-for-profit and trading organisations, as effectively it amounts to subsidisation of the trading companies. (Ref 4.6, 4.11, 4.12)

Recommendation:

¹ <https://www.gov.uk/government/publications/trustees-trading-and-tax-how-charities-may-lawfully-trade-cc35>

Loans from charities to their trading subsidiaries may only be “for the benefit of the parent charity”. In order to ensure this is evidenced, as a matter of priority FH&E should:

- **Create formal written loan agreements** between the NPO(s) and TC(s) to cover the amounts loaned. These should cover the full amount originally loaned when the companies were set up.
- **Ensure these agreements include:** provision for repayment (i.e. a date when repayment is due), and a rate of return (i.e. repayment of interest) which reflects the level of risk. A reasonable indicator for an appropriate interest rate would be the amount that would have been charged on a comparable commercial loan from a bank. It may be appropriate to consider any security which can be given for the loan.

3. Preventing subsidisation of trading subsidiaries:

At present, the NPFOs and TCs share a number of costs and overheads. This includes shared premises, staff and equipment. These costs are currently paid by the NPFOs and no recharge is made to the TC's. The NPFOs therefore currently are subsidising costs which should be properly borne by the TC's. In order to demonstrate appropriate financial segregation between the NPFOs and TCs, and to avoid creating a tax liability for the NPFOs, the NPFOs need to charge for these costs.

Recommendation:

A **written agreement** should ideally be in place between each NPFO and TC, regarding the services provided by the charity to the subsidiary (and anything going in the other direction) and the charging policies for these services. Specific recommendations regarding individual aspects of charging are laid out below:

- **Buildings/Premises costs:** A formal lease or license should be in place for shared use of buildings. A rent or fee should be paid which is comparable for that paid for letting the property on the open market. It would be recommended that a % of costs are recharged to the trading companies based on e.g. proportional size of the organisations. (Ref 4.21)
- **Staff costs:** Staff time should be recharged to the trading company at cost (see section 4 below re: caveat if staff solely work for the trading company). (Ref 4.22)
- **Overheads:** Shared overheads should be recharged to the trading companies as appropriate. This would include things like utilities bills, but also the management tier of the organisation who will carry out work on behalf of both the NPFOs and the TCs. A basis for apportionment should be identified (for instance, for management costs it could be based on staff time). (Ref 4.22)
- **A regular process** for calculating and making these charges should be identified (i.e. monthly, quarterly etc.). Charges should be raised and paid in a timely manner, as otherwise this may constitute a form of subsidy of the trading company. Invoices for the charges should be produced, and payment for the total value of the invoice made from the TC's bank account to the NPFO bank account. This ensures an appropriate audit trail.

4. Ownership of assets and employment of staff by trading subsidiaries:

At present, it was noted that there are some members of staff who solely carry out work for the trading companies, and some vehicles which are solely used for trading company contracts.

It was also noted that, although the organisations do not currently offer their vehicles for hire to the public or other organisations, there have been some discussions at Board level about moving into this field. This could create a tax liability if this is carried out by the NFPO, as it would likely constitute non-primary purpose trading. It would therefore be preferable for any such trading to be carried out by the TC, as the tax liability is then reduced when gift aid payments are made to the NFPOs.

Recommendation:

Specific recommendations are made in line with [Ref 4.22](#) of the guidance for charities carrying out trading:

- Staff who solely carry out work for the trading subsidiary should be employed by the trading subsidiary.
- Any assets which are solely used by the trading subsidiary should be owned by the trading subsidiary.
- Alternatively, FH&E may wish to consider ensuring that this is not an issue, by ensuring that there are records in place to demonstrate that all staff and vehicles undertake a mix of commercial and non-commercial work over the course of a year.

5. Charging for vehicle hire by trading subsidiaries:

FH&E advised that the charge made for the hire of vehicles by the trading subsidiary was calculated on the basis of an average hire cost by a commercial company for various different rates of hire. The TC's also pay for fuel costs. It is not currently clear whether or not the charge made covers the costs incurred by the NFPOs in making the vehicles available for hire (e.g. vehicle maintenance, licensing, overheads, staff time etc).

Currently there is a clear formal paperwork trail showing the hiring of vehicles between FACT/HACT/ESACT. However, the same evidence is not in place for the hiring of vehicles between an NFPO and its trading company. This is calculated on a monthly basis, but no interest is raised and a charge is not made to the TC bank account. Instead the charge is recorded on the spreadsheet monitoring the debt levels of the TC as an 'increase' in debt.

Recommendation:

Further steps need to be taken to ensure that the charging for hired vehicles can appropriately demonstrate financial separation between the NFPOs and the TCs:

- **The calculation of the hire charge** should be reviewed to ensure that it can be evidenced that this covers the associated costs to the NPFO. It is recommended that this considers the total cost to FH&E of each vehicle including depreciation, maintenance, MOT etc. N.B. from the guidance provided by HMRC, it is not clear that it would be appropriate for such charging to include a profit element (see [Ref 4.22](#)), and it appears that if the charge set is in excess of the costs incurred by the NFPOs, this may open the organisation to the risk of challenge by

HMRC Charities, as this could be viewed as a receipt of trading by the charity, which may not be exempt from tax.

- **To evidence a clear financial separation** between the NFPOs and TCs, formal charging needs to be in place between the NFPO and TCs for the use of vehicles. Invoicing showing the monthly charges should be raised from the NFPO to the TC, and a payment made from the TC bank account to the NFPO bank account for the total value of the invoice.
- This should provide a clear audit trail allowing costs to be traced through the system.

6. Legal Status and Accounts of Trading Companies:

The trading organisations set up by FH&E on the 6th December 2017 have been created as private companies limited by share capital. At present, the relevant NFPOs are listed as 'Persons of Significant Control' but officers report that there is a lack of clarity regarding ownership of the shares, and that it is not clear that the NFPOs are majority shareholders in the trading companies. There are various questions around the legal status of the trading companies, and the accounting for these companies, which need further investigation:

- **Shareholders** should be identified, and it should be ensured that the relevant NFPOs are majority shareholders for these companies.
- **ESACT TC Accounts:** Ely and Soham ACT Trading Company have filed a set of dormant accounts for their financial year ending 30th June 2018.² The accounts consist of a balance sheet, showing the £100 share capital (and no other assets or liabilities), and have not been audited. These accounts do not appear to be a fair reflection of the actual financial situation of the TC at this time, as they do not report the loan made to finance the creation of Ely and Soham ACT Trading Company by ESACT. The accounts are also prepared as though the trading company were a dormant entity, which would only be appropriate if no transactions took place via the Trading Company prior to 30th June 2018, i.e. the organisation operated no contracts.
- **Consolidated Accounts:** It would be expected that normally consolidated accounts would be produced for each charity and its trading subsidiary. This does not appear to have taken place at FH&E.
- **Confirmation statement:** The Confirmation Statements for the three FH&E TCs will be due on the 5th December 2018 and will need to be completed.
- **A written agreement** that sets out the relationship between each NFPO and its TC should be put into place, including the lines of accountability and the oversight that the charity must have.
- **VAT:** Check whether the trading companies are VAT registered as this may be required.
- **There is a risk of conflicts of interest** where individuals are involved in both the subsidiary and the charity. Company directors are required to put the interests of the company first, while charity trustees are required to put the interests of the charity first. In the event of a conflict Directors of trading companies must still not be paid if they are trustees of the parent charity. There should be at least one charity trustee who is not a director in the trading company, and one trading company director who is not a charity trustee (**Ref 4.15**)

² <https://beta.companieshouse.gov.uk/company/11099521/filing-history>

7. Further areas for consideration:

Other areas FH&E are likely to wish to consider, based on the discussions held, have been highlighted below:

- **Organisational Structure:** It is understood that there has been consideration given to changing the current organisational structure of three separate NFPOs, each with its own TC, and moving to a single charitable organisation with a single trading company. Moving to this structure would significantly simplify administration and accounting for the organisations, and provide greater operational flexibility.
- **Financial procedures:** Given the complexity of the requirements around the relationship between the commercial and non-commercial organisations, it is recommended that FH&E consider adopting financial procedures which govern this relationship and consider investment, recharging, etc.
- **Segregation of bank accounts:** In some instances, there appears to be a lack of clarity around the segregation and ownership of funds in the high-interest bank accounts used, which may belong to any of the three NFPOs. This 'all in one' approach is likely to be appropriate in future if the NFPOs are merged into a single entity. However, at present there is a risk that there is a lack of clarity regarding which NFPO owns what amount of the total financial assets (and the accruing interest). There is therefore a risk that this could create issues in producing the annual accounts for each organisation, in the interim before they are combined into a single entity.
- **External Auditor:** It is understood that Thomas Quinn in St Ives are the external auditors for FH&E and have been in place since at least 2013. It is understood that FH&E are considering appointing new external auditors in light of the findings within the PKF report, and Cambridgeshire County Council would support this. The organisations are likely to benefit from appointing a new external auditor who may provide fresh insights and assistance in developing robust and transparent accounting systems.
- **Gift aid of income:** Note that company law means that trading subsidiaries may not make distributions in excess of distributable profits i.e. if the accounting profit is higher than the distributable profit then only the lower amount may be paid to the charity under Gift Aid. (Ref 4.5)
- **Business rates:** As FH&E are now operating trading companies from their premises, which were previously used exclusively for charitable objects, this may have an impact on the business rates on the premises charged by the rating authority. If FH&E can demonstrate that premises are used primarily for charitable purposes, the rating authority may continue to grant rate relief, but there is a need to ensure this has been openly addressed with the rating authority (Ref 4.14).
- **Further advice:** It is recommended that FH&E consider seeking further support from an accountant or external auditor with experience of charities accounting, as this is a specialist area (particularly in respect of the Registered Society) and we cannot offer absolute certainty over the advice in this document.

DRAFT WHISTLEBLOWING POLICY

To: Audit & Accounts Committee

Meeting Date: 24th January 2019

From: Duncan Wilkinson, Chief Internal Auditor

Purpose: Revised versions of the Whistleblowing Policy and the Whistleblowing Manager's Guidance documents were shared with the Committee in November 2018 for their comments, prior to initiating the approval process.

Comments from Committee in November 2018 have been incorporated into these documents, which have now also been approved by SMT. The purpose of this report is therefore to share the final versions of the Whistleblowing Policy and Whistleblowing Manager's Guidance documents with the Committee, for approval.

Recommendation: Audit & Accounts Committee is requested to approve the revised policy and guidance.

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Duncan Wilkinson	Names:	Councillor Mike Shellens
Post:	LGSS Chief Internal Auditor	Post:	Chair of Audit & Accounts
Email:	Duncan.Wilkinson@Milton-Keynes.gov.uk	Email:	Shellens@waitrose.com
Tel:	01908 252089	Tel:	01223 699170

1. BACKGROUND

- 1.1 At the Audit & Accounts Committee meeting in November 2018, Internal Audit presented revised drafts of the Whistleblowing Policy and the supporting guidance document *Whistleblowing – Manager’s Guidance*.
- 1.2 Members of the Committee provided their comments and input on the draft policy documents, which have now been incorporated into the updated revised guidance. Trade unions were consulted on the draft documents in December 2018 and expressed their support, and the documents have also now been approved by SMT.

2. DRAFT REVISED POLICY AND GUIDANCE

- 2.1 The final revised versions of the Whistleblowing Policy and *Whistleblowing - Manager’s Guidance* may be found at Annex i and ii.
- 2.2 The key areas of change are as follows:
- Updated key officer contact information.
 - Introduction of a clear process for whistleblowers to raise complaints regarding the conduct of the investigation into their concerns.
 - *Whistleblowing – Manager’s Guidance* revised to give more detail on the stages of an investigation, in line with ACAS (Advisory, Conciliation and Arbitration Service) guidance.
- 2.3 The Committee’s final approval of these documents is sought.

SOURCE DOCUMENTS

Source Documents	Location
Whistleblowing Policy	Internal Audit Octagon 1, Shire Hall, Cambridge



WHISTLEBLOWING POLICY

Policy Owner	
Name:	Duncan Wilkinson
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THE COUNCIL WANTS YOU TO BE CONFIDENT THAT YOUR CONCERNS WILL BE TAKEN SERIOUSLY AND THAT YOU WILL BE PROTECTED FROM VICTIMISATION OR BULLYING OR HARRASSMENT IF YOU RAISE A CONCERN.

If you have a concern about the Council's services please read this policy. You may think this policy does not apply to the concern you have – IT DOES, we can give confidential advice about ANY concern you may have regarding the Council and its services.

If you want to informally / confidentially discuss this policy or your concerns you can contact:

- Janet Atkin (LGSS Head of HR Advisory) – 01223 699495
- Duncan Wilkinson (LGSS Chief Internal Auditor) - 01908 252089 or email Duncan.Wilkinson@milton-keynes.gov.uk
- Sue Grace (Director of Corporate and Customer Services) – 01223 699248
- Sue Stagg (LGSS Head of Health Safety & Wellbeing) – 07721522896
- Fiona McMillan (Director of Law & Governance & Monitoring Officer) – 01733 452361
- Chris Malyon (Chief Finance Officer & Section 151) - 01223 699241
- Gillian Beasley (Chief Executive) - 01223 728595

Or

The Whistleblowing hotline on 01908 252525

Or

Public Concern At Work on 0207 404 6609 or helpline@pcaw.co.uk
PCAW are an independent charity and information provided to PCAW is protected under the Public Interest Disclosures Act. Their helpline is where their lawyers provide confidential advice free of charge.

You may also wish to contact your trade union for advice or support in making a whistleblowing disclosure.

The details of such discussions will not be released to anyone else within the Council without your express consent and meetings can be held at a time and place of your choosing.

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1. INTRODUCTION

- 1.1 This policy seeks to provide a process that gives anyone with a concern about the Council the confidence to bring that concern to our attention.
- 1.2 All officers, councillors and partners have a responsibility to protect the Council's interests through the proper adherence to this policy. This is required for reasons of open and accountable governance, stakeholder trust and compliance with U.K. and E.U. law.
- 1.3 Cambridgeshire County Council operates within legal requirements and regulations and expects its employees to co-operate in this by adhering to all laws, regulations, policies and procedures. Any employee becoming aware of inappropriate conduct is obliged to report this activity. This policy also applies to contractors, consultants, partners and agency staff and other stakeholders including Councillors.
- 1.4 Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. Councillors, customers and stakeholders are also in a position to identify concerns that affect Council services and need to be addressed.
- 1.5 Individuals with a concern may fear that they will be victimised or harassed if they raise the concern. In these circumstances it may feel easier to ignore the concern. However, such concerns should not be ignored and suspicions of malpractice should be reported.
- 1.6 It is recognised that certain cases will have to proceed on a confidential basis but in accordance with the Freedom of Information Act this policy seeks to provide a transparent method for dealing with concerns. Whistleblowers can have confidence through this policy that they have the fullest protections afforded by the Public Interest Disclosures Act.
- 1.7 Specifically the code of practice set out in this policy makes it clear that staff and others can make reports without fear of reprisals and sets out what protections are in place under this policy. This Code is intended to encourage and enable concerns to be raised within the Council so that they can be addressed, rather than overlooking problems or raising them outside the Council.
- 1.8 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment the Council encourages employees, customers, contractors, employees of subsidiaries, stakeholders or any other person with serious concerns about any aspect of the Council's work to come forward and voice those concerns. This process is commonly referred to as "whistle blowing".

2. AIMS AND SCOPE OF THIS POLICY

2.1 This code of practice aims to:

- Encourage and enable any person to feel confident in raising serious concerns and to question and act upon concerns
- Provide avenues for any person to raise concerns and receive feedback on any action taken
- Ensure everyone making a referral receives a response to their concerns
- Describe how to take the matter further if dissatisfied with the Council's response
- Reassure anyone making a referral that they will be protected from reprisals or victimisation.

2.2 The Whistleblowing Policy is intended to cover any concerns that fall outside the scope of other policies. Concerns that could be raised under the policy include:

- Sexual, physical or emotional abuse of clients or other individuals
- Conduct which is an offence or a breach of law
- Disclosures related to miscarriages of justice
- Health and safety risks, including risks to the public as well as employees
- Damage to the environment
- Unauthorised use of public funds
- Action that is contrary to the Council's financial procedures or contract regulations
- Possible fraud, corruption or financial irregularity
- Action that is against the Council's Standing Orders and policies
- Practice that falls below established standards or practice
- Other improper or unethical conduct.

2.3 If a member of staff is uncertain how best to raise any concern, it may be raised initially under this policy. If a concern is raised which does fall under the scope of another corporate policy, the concern will then be referred for investigation in line with the relevant policy guidance.

2.4 The concern may be something that makes a person feel uncomfortable in terms of known standards, their experience or the standards to which they believe the Council subscribes. If in doubt, please contact either a named contact on the front cover of this policy or Public Concern at Work to have a confidential discussion.

2.5 For the avoidance of doubt, if you have concerns that any person may be being mistreated / abused you can discuss your concerns in confidence with those listed on the front cover of this policy.

2.6 There are existing procedures in place, which must be followed, to enable staff to lodge a grievance relating to their own employment, customers to complain about the service they receive and regarding concerns whether councillors have breached the National Code of Conduct. The Whistleblowing Policy should not be used for such concerns; however, advice can be obtained from the contacts on the front cover of this policy if you have any doubts.

2.7 For the avoidance of doubt, this policy applies to all employees, councillors, contractors, consultants, schools, agency staff and other stakeholders who are acting on behalf of, or in partnership with, the Council.

2.8 Any disclosure of information that, in the reasonable belief of the worker, is made in the public interest, shall be deemed a qualifying disclosure.

- 2.9 This policy incorporates the provisions that are required from the Public Interest Disclosure Act 1998.

3. HOW TO RAISE A CONCERN

- 3.1 When an individual wishes to raise a concern, he or she will need to identify the issues carefully. They must be clear about the standards against which they are judging practice. Whilst not exhaustive they should consider the following:
- Is it illegal?
 - Does it contravene professional codes of practice?
 - Is it against government guidelines?
 - Is it against the Council's guidelines?
 - Is it about one individual's behaviour or is it about general working practices?
 - Does it contradict what the employee, councillor, contractor, consultant, agency staff or other stakeholder has been taught?
 - Has the individual witnessed the incident?
 - Did anyone else witness the incident at the same time?
- 3.2 Concerns from staff should normally be raised with their immediate manager, in the first instance. Similarly, non-employees (e.g. agency workers or contractors) should raise a concern in the first instance with their contact within the Council, usually the person to whom they directly report.
- 3.3 In some cases, the nature or sensitivity of the concern means that this may not always be appropriate. If a person feels they cannot raise their concern with their immediate manager they are able to go directly to the Chief Internal Auditor. They may also do so if, having raised a concern with the immediate manager/contact, they feel there has not been an appropriate response.
- 3.4 Others wishing to raise a concern should consider whether to raise that concern directly with the relevant senior officer of the service involved or use the Council's existing Complaints process. Details of all such contacts can be found on the Council's website.
- 3.5 Given the possible contractual issues, Annex A of this policy gives specific guidance to contractors and partners of the Council in raising such concerns.
- 3.6 Concerns may be raised verbally or in writing. Anyone who wishes to make a written report should give the background and history of the concern (giving relevant dates if possible) and the reason why they are particularly concerned about the situation.
- 3.7 If the individual wishes, they may ask for a private meeting with the person to whom they wish to make the complaint and can be accompanied if they wish. An employee may invite their trade union or professional association representative, work colleague or legal representative to be present during any meetings or interviews in connection with the concerns they have raised.
- 3.8 When making a complaint verbally, the individual should write down any relevant information and date it. They should keep copies of all correspondence and relevant information.
- 3.9 It should be noted that often the earlier a concern is expressed the easier it is to take appropriate action.

- 3.10 The individual should ask the person to whom they are making the complaint what the next steps will be and if anything more is expected from them.
- 3.11 Although a person is not expected to prove the truth of an allegation that is made, it will be necessary to demonstrate that there are sufficient grounds for concern. It is not necessary for any person to undertake investigations into their concern prior to contacting the Council, as this may undermine any ultimate action needing to be taken.
- 3.12 Advice and guidance on how specific matters of concern may be pursued can be obtained from the Council's Internal Audit Service. Phone 01908 254230 or email internal.audit@cambridgeshire.gov.uk. Alternatively staff may wish to get confidential advice from their trade union or professional association
- 3.13 Staff may wish to consider discussing their concerns with a colleague first and may find it easier to raise the matter if there are two (or more) of them who have had the same experience or concerns.
- 3.14 Where a person feels that they cannot approach anyone in the Council, they may wish to report their concerns through the external independent reporting scheme called Public Concern At Work. PCAW are an independent charity providing a legal advice service designated by the Bar Council and information provided to PCAW is protected under the Public Interest Disclosures Act. Their helpline number is 0207 404 6609. Their email is helpline@pcaw.co.uk, where their lawyers provide confidential advice free of charge.
- 3.15 The individual who is the subject of an investigation may be made aware that an issue has been raised but this will be entirely dependent on the nature of the issue. This point will be superseded where necessary in order to allow the subject to provide a defence.

4. SUPPORTING THE INDIVIDUAL TO RAISE A CONCERN

4.1 Harassment or Victimisation

- 4.1.1 The Council recognises that the decision to raise a concern can be difficult, not least because of the fear of reprisals.
- 4.1.2 The Council will not tolerate harassment or victimisation and will take action to protect individuals who raise concerns. This does not mean that if the individual is already the subject of disciplinary or redundancy procedures, that those procedures will be halted as a result of raising a concern under this policy.
- 4.1.3 It is the clear instruction to those officers (through this formal policy) of the Council who liaise with whistleblowers that they shall not release information to identify a whistleblower to any person within the Council and will only release those details to a proper person outside the Council when there is a legal requirement to do so, e.g. a court order. The only exception to this shall be where the whistleblower themselves gives written permission to do so.
- 4.1.4 Any person applying pressure upon such officers to identify whistleblowers shall be subject to the same provisions as outlined in 4.1.6 below.
- 4.1.5 Where a whistleblower alleges they are / have been victimised / harassed as a result of raising a concern, that matter shall be reported to Chief Executive or S151 Officer. Such allegations shall be investigated by the Chief Internal Auditor or LGSS Director of Law and Governance. Where the investigations may identify (either indirectly or directly) the

whistleblower, the way forward shall be agreed with the whistleblower and any resultant action confidentially reported to the Chair of the Audit & Accounts Committee.

4.1.6 Each case will be considered on its merits. Any incident of victimisation or harassment of someone who has made a referral under this policy would normally be considered:

- A matter of Gross Misconduct if done by an employee of the Council
- A matter for the Council to consider termination of a contract if done by or at the request of a contractor. If there are concerns that a contractor is victimising, or has victimised, a whistleblower an independent review may be requested
- A matter that would be referred to the Constitution & Ethics Committee if undertaken by or at the request of a Councillor
- A matter that could affect the service provided to a customer if done by or at the request of that customer.

4.2 Confidentiality

4.2.1 All concerns will be treated in confidence and every effort will be made not to reveal the identity of the person highlighting the concern if that is the wish of the individual.

4.2.2 Individuals are encouraged to put their name to any allegation. The Council will do its best to protect the individual's identity when they do not want their name disclosed. It must be appreciated that the investigation process may reveal the source of the information, and a statement by the individual raising the concern may be required as part of the evidence.

4.2.3 At the appropriate point in any investigations the subject of the allegation may be made aware of the allegation in order to provide a defence. In these cases the identity of the Whistle-blower will not be divulged to the subject of the allegation or their representatives unless the Whistle-blower gives written consent to do so to the investigating officers.

4.3 Anonymity

4.3.1 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council. In exercising this discretion, the factors to be taken into account would include :

- Seriousness of the issue
- Credibility of the concern
- Likelihood of being able to obtain the necessary information

4.4 Untrue Allegations

4.4.1 Any individual who makes an allegation in good faith which is not subsequently confirmed by the investigation, will have no action taken against them and will continue to have protection under this policy from victimisation or harassment.

4.4.2 If, however, an individual makes malicious or vexatious allegations, action may be taken against them.

5. HOW THE COUNCIL WILL RESPOND

- 5.1 In order to protect individuals and the Council, an initial review will be carried out to decide whether a full investigation is appropriate and, if so, what form it should take. Concerns or allegations, which fall within the scope of specific procedures (for example, child protection or discrimination issues), will normally be referred for consideration under those procedures.
- 5.2 It should be noted that some concerns may be resolved by agreed action without the need for investigation. Equally some issues may be investigated without the need for initial enquiries. If urgent action were required, this would be taken before any investigation is conducted.
- 5.3 The action taken by the Council will depend on the nature of the concern. Where appropriate, the matters raised may be:
- Investigated by management, Internal Audit, HR, or other appropriate person
 - Referred to the External Auditor
 - Referred to the police
 - The subject of an independent inquiry.
- 5.4 The Council will send an initial acknowledgement of receipt of concern within a couple of days and will then write to the person raising the concern within 7 -10 working days (i.e. initially the individual or representative with whom the report was lodged as set out in Sections 4.1 and 4.2):
- Acknowledging that the concern has been received
 - Indicating how it proposes to deal with the matter
 - Giving an indication of when a final response or update will be provided
 - Telling the person whether any initial enquiries have been made
 - Supplying the person with information on staff support mechanisms and
 - Telling the person whether further investigations will take place and, if not, why not.
- 5.5 Every effort will be made to resolve the matters raised as soon as possible, in the interests of the Council, the person raising the concern and the person(s) being investigated.

- 5.6 The amount of contact between the officers considering the issues and the person raising the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information may be sought from the person raising the concern.
- 5.7 Where any meeting is arranged, staff have the right, if they so wish, to be accompanied by a trade union or professional association representative or a work colleague who is not involved in the area of work to which the concern relates.
- 5.8 The Council will take appropriate steps to minimise any difficulties, which a person may experience as a result of raising a concern and provide advice and support should they be required to give evidence, e.g. at a disciplinary hearing. Such support may include the ability to give evidence via video link.
- 5.9 The Council accepts that the person raising a concern needs to be assured that the matter has been properly addressed. Thus, subject to legal constraints, the person raising the concern will be kept informed as the investigation progresses unless they have requested otherwise. At the very least they should receive an update on the investigation by the date implied by the estimated response time given in section 5.4

6. HOW THE MATTER CAN BE TAKEN FURTHER

- 6.1 Any individual has the right and responsibility to refer a concern to the Police if they suspect a criminal act.
- 6.2 This policy is intended to provide an avenue to raise concerns within the Council. The Council hopes that those using this process will be satisfied with the way their concerns are treated and any investigations that may be carried out. However, if they are not satisfied and feel it right to take the matter outside the Council, the matter can be raised with:
- Public Concern At Work on 0207 404 6609 or helpline@pcaw.co.uk
 - Relevant professional bodies or regulatory organisations
 - A solicitor.
- 6.3 In taking advice from sources outside the Council, a person must ensure that, so far as possible, it is raised without confidential information being divulged and would, other than in exceptional circumstances, be expected to have exhausted the internal routes available first.
- 6.4 If an individual wishes to complain to the Council about how the investigation of their concerns was carried out, they should address their complaint directly to the Head of Human Resources or the Chief Internal Auditor. The Head of Human Resources and Chief Internal Auditor will then notify the Chief Executive that a complaint has been made regarding a whistleblowing investigation, determine which service is best placed to deal with the complaint, and appoint an appropriate officer to deal with the complaint. In deciding who should deal with the complaint the following should be considered:
- Which officer and service conducted the whistleblowing investigation;
 - Which service has the most independence and objectivity in relation to the original investigation; and
 - The skills needed to deal with the complaint.

- 6.5 This is separate to the Council's corporate complaints procedure, which assumes that a complaint should first be dealt with by the relevant service area, as the service area is likely to have been involved in the investigation. The review of a complaint regarding a whistleblowing investigation will be reported to the Chief Executive, and as such is equivalent to the third and final stage of the corporate complaints procedure.

7. ROLES AND RESPONSIBILITIES

- 7.1 The responsibility for the operation of this policy rests with the Executive Directors to ensure all staff are fully aware of its provisions. The Chief Internal Auditor must be advised of all referrals so that an annual report to the Council's Audit & Accounts Committee can be compiled.
- 7.2 Investigations should be undertaken by appropriate officers with expertise and will be dependent upon the issue raised. Internal Audit and Human Resources will jointly ensure that investigations are swift and effective and undertaken by someone with relevant skills and experience. Internal Audit and Human Resources (HR) will act as the corporate services who maintain records of all referrals and subsequent investigations received by the Council.

Additionally:

- 7.3 Internal Audit will lead on all financial referrals, including those where there are significant financial implications to an allegation. The Audit team will ensure that concerns raised through the informal process are logged and trends identified.
- 7.4 Human Resources will lead on allegations regarding serious misconduct of Council employees. The HR team will advise and support employees involved in the investigation process, to ensure that such processes are fair and supportive to all those involved.
- 7.5 The Monitoring Officer will lead on allegations regarding misconduct of Councillors and any issues where there is alleged unlawfulness or criminality.
- 7.6 As the Monitoring Officer has a statutory obligation to take action to avoid the Council acting unlawfully, officers are required to inform the Monitoring Officer of any whistleblower report received. This will be treated with appropriate confidentiality in line with investigations.
- 7.7 Employees: In all contracts of employment there is an implied understanding of mutual trust and confidence between the employer and employee. All employees, therefore, have a responsibility to raise concerns about work and they may do so in the manner described in this policy.
- 7.8 Line managers: Must create an open and fair culture within their area of responsibility and ensure that staff concerns are listened to and action taken where necessary. Line managers are responsible for ensuring that there is a safe environment for staff to raise their concerns and that there is no retribution as a result of someone raising their concerns.
- 7.9 Audit & Accounts Committee: is responsible for assuring the Council that the risks across the Council are being identified and managed. It is therefore responsible for ensuring that this policy is robust and for ensuring that the principles within this policy are upheld.

8. HOW THE POLICY WILL BE MONITORED

- 8.1 The Council has a responsibility for registering the nature of all concerns raised and to record the outcome. The Council's Internal Audit Service will produce an annual report to the Audit and Accounts Committee, which will identify any patterns of concern and assess the effectiveness of the policy.
- 8.2 This policy will be publicised via the Council's Website and specifically:
- Every new employee will be advised to familiarise themselves with the policy when joining the Council;
 - Every contract will require the contractor to communicate the policy to their staff and adopt its provisions when working for the Council;
 - Every employee of a Limited Liability Partnership (LLP) owned by the council will be provided a copy of the policy when joining the LLP, together with training on the whistleblowing procedures of their organisation and the circumstances where each policy will apply;
 - All newly elected members shall be provided a copy of the policy.
- 8.3 A public leaflet will be produced and placed in the Council's public areas to promote the policy and invite feedback.
- 8.4 An annual survey will be undertaken by Internal Audit to gauge the awareness of the policy and individual whistleblowers will be asked more detailed questions about their perceptions of the policy in practice.

9. REVIEW

- 9.1 This procedure will be kept under review and any amendments will be subject to consultation with staff representatives. It will be reviewed by the Council's Audit and Accounts Committee on an annual basis.

ANNEX A**Procedure for Contractors / Partners, including employees of subsidiaries**

1. This procedure is for Contractors who want to raise a concern and once a concern is raised it will be treated in line with the main policy.
2. As a first step contractors should normally raise concerns with their manager, who will then inform the lead Council officer who is dealing with that particular contract. If contractors do not have a manager, they should raise their concerns direct with the lead Council officer. This depends on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if contractors believe that their manager or lead Council officer is involved, they should approach the LGSS Director of Law and Governance at the Council direct. Otherwise, the lead Council officer receiving notification of concerns under this policy will inform the LGSS Director of Law and Governance that a confidential report has been received and provide a copy. If the concern relates to financial irregularities or failures of financial controls the lead Council officer receiving the report will also immediately notify the Chief Internal Auditor.
3. Concerns may be raised verbally or in writing. Individuals who wish to make a written report are invited to use the following format:
 - The background and history of the concern (giving relevant dates if possible);
 - The reason why the individual is particularly concerned about the situation.
4. It should be noted that often the earlier a concern is expressed the easier it is to take appropriate action.
5. Advice and guidance on how specific matters of concern may be pursued can be obtained internally from the Internal Audit Service. Alternatively contractors may wish to get confidential advice from their trade union or professional association.
6. Contractors may wish to consider discussing their concerns with a colleague first and may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.
7. Contractors may invite their trade union or professional association representative or work colleague to be present during any meetings or interviews in connection with the concerns they have raised.

ANNEX B

General Survey

- (1) Have you thought about using the Whistleblowing Policy in the last 12 months?
- (2) If yes, but you didn't make a referral, what prevented you?
- (3) On a scale of 1-10 (with 10 being perfect) how would you rate the policy in meeting the needs of someone who has concerns about the Council's services?
- (4) If you answered less than 10, what can we do to change so that you would score 10?

Specific Survey for those who have raised a concern

- (1) On a scale of 1-10 (with 10 being perfect) how good do you feel the Council's Whistleblowing arrangements are?
- (2) If you answered less than 10, what can we do to improve so that you would have scored a 10?
- (3) Were you able to obtain sufficient advice before making your referral?
- (4) Did you use normal management structures or the corporate officers?
- (5) Were your concerns properly addressed?
- (6) Were the implications of a referral (e.g. confidentiality and timescales) explained to you?
- (7) Were you provided with regular feedback (if you wanted it)?
- (8) If you asked for confidentiality was that effectively provided?
- (9) Do you feel you suffered harassment, victimisation or any other negative consequence from raising your concern?

Whistleblowing – Manager's Guide

What is Whistleblowing?

As a manager, you may need to investigate concerns raised by employees under the Council's Whistleblowing Policy. This document outlines your specific responsibilities as a manager, and provides guidance on what to do if an employee raises a concern or concerns with you.

There are existing procedures in place to enable staff to lodge a grievance relating to their own employment; customers to complain about the service they receive; and regarding concerns whether Councillors have breached the National Code of Conduct. The Whistleblowing Policy should not be used for such concerns, however, advice can be obtained from HR Advisory or Internal Audit if you have any doubts.

The Whistleblowing Policy is intended to cover concerns that fall outside the scope of the above procedures. A concern may be about:

- sexual, physical or emotional abuse of clients or other individuals
- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as employees
- damage to the environment
- unauthorised use of public funds
- action that is contrary to the Council's financial procedures or contract regulations
- possible fraud, corruption or financial irregularity
- action that is against the Council's Standing Orders and policies
- practice that falls below established standards or practice
- other improper or unethical conduct.

Responsibilities

You have a general duty to ensure that all of your employees know where they can find the Whistleblowing Policy on LGSS Direct, how these procedures operate, and how they should raise concerns. For new employees, agency workers or contractors this should form part of the induction process.

You should make your employees aware that concerns about money-laundering activities or fraud and corruption should be raised in accordance with the specific guidance provided in the

Council's Anti-Money Laundering Policy and Anti-Fraud and Corruption policy (available on LGSS Direct or via CamWeb search).

Finally, you should aim to create a culture in which employees feel comfortable in openly expressing any concerns. Discriminatory behaviour(s) within your team(s) should not be tolerated. Harassment or victimisation of individuals who raise concerns must not be tolerated.

Key Principles for Managers

Managers should be aware of the contents of the Council's full Whistleblowing Policy, as well as the key principles set out below, which must be followed at all times throughout the whistleblowing process:

- **Support for Whistleblowers:** You should reassure the employee that you will provide support and protect him/her from any form of reprisal from any source. Remember that cases involving the welfare of children, young people and vulnerable adults can cause considerable distress; the employee may need additional support.
- **Protection from Harassment:** You should protect the whistleblower's identity, as far as possible and ensure that he/she is protected from any harassment, discrimination and/or victimisation as a result of raising a concern. If you need to disclose the employee's name, you should discuss this with him/her and gain consent before such a disclosure is made. If the whistleblower refuses to disclose their name discuss next steps with Internal Audit and HR. If a whistleblower alleges they have been victimised or harassed as a result of raising a concern, you must report this to the Chief Executive or S151 Officer.
- **Separation of Procedures:** You should not stop any other procedures that are in progress in relation to an employee (for instance: disciplinary, grievance, absence, performance or redundancy procedures) because that worker makes a whistleblowing disclosure. All such procedures must be kept completely separate. Your HR Advisor can provide further advice.
- **Malicious/Vexatious Allegations:** Malicious or vexatious allegations should not be tolerated and may be considered a disciplinary offence. You should ensure that the employee is aware of the consequences of making malicious or vexatious allegations. If at any time during your investigation, you have reason to believe that the allegation(s) made may fall into this category, you should speak to your HR Advisor for advice.
- **Anonymous Allegations:** Concerns should not be disregarded simply because they are from an unknown source. If concerns are raised anonymously you will need to consider the seriousness/credibility of the concern(s) raised and whether you are likely to be able to obtain other evidence, from attributable sources, to substantiate the concern(s). Your HR advisor will be able to offer further advice in this area.

Stage One: When Employees Raise Concerns

If an employee raises a concern, you should take it seriously and arrange to meet with him/her immediately. The employee may feel uncomfortable or anxious about 'blowing the whistle', so ensure that you listen carefully and respond sensitively. An employee may invite their trade union or professional association representative, or a work colleague, to be present during any meetings or interviews in connection with the concerns they have raised.

You should remind employees that they are bound to safeguard and promote the welfare of children, young people and vulnerable adults. Where the concern is about the welfare of a child or young person, but the employee is reluctant to report it, you should remind him/her that there is a statutory duty under Section 11 of the 2004 Children Act to report such concerns.

When hearing the concern you should assess its credibility/seriousness:

- Is there genuine cause and sufficient grounds for the concern?
- Are there any other factors which could be motivating the employee to raise these issues?

You should ensure that the employee puts his/her concern(s) in writing, and encourage him/her to sign and date any such records/letters/notes, in case this becomes evidence in other proceedings, e.g. an internal disciplinary hearing. The employee should be advised that he/she may be required to provide a written statement and to give evidence in any formal proceedings. The Council will take appropriate steps to minimise any difficulties associated with this and provide advice and support, which where appropriate may include the ability to give evidence via video link etc.

Stage Two: Initial Investigation

At this point, a brief initial review/investigation will be carried out to determine whether a full investigation is appropriate and, if so, what form it should take and who should investigate. You must consult with your HR Advisor and Internal Audit (and the employee's line manager, if this is not you and it is appropriate to do so). Depending on the nature of the allegation(s), it may be necessary to refer the matter on to the service or officer(s) best placed to advise on next steps:

- Health and safety issues should be referred to the LGSS Head of Health Safety and Wellbeing.
- Child protection issues should be referred to Local Authority Designated Officer for Child Protection ("LADO") and/or the police. The LADO will advise you on how to gather information and will support you with any further actions that may need to be taken. It is important to contact the LADO for advice in these cases prior to starting any investigation work, since the Police may need to investigate and their work must take precedence over any internal investigations.
- Financial irregularities should be referred to the Internal Audit section. Internal Audit should be contacted prior to further investigation work being carried out, as there may be a need for the work to be conducted in such a way that evidence can be relied on in court and/or the case passed on to the police.
- Human Resources will lead on allegations regarding serious misconduct of employees.
- The Monitoring Officer will lead on allegations regarding misconduct of Councillors; and
- Concerns or allegations which fall within the scope of other specific existing procedures will normally be referred for consideration under those procedures.

The initial review should consider the seriousness and credibility of the allegations and any supporting evidence that has been provided. It may be appropriate at this point to undertake some initial investigative work to corroborate the allegations, in order to reach a decision on whether a full investigation is required, what form it will take, and who will investigate.

Once this decision has been taken, you must complete the Whistleblowing Cases Tracking Form (available on LGSS Direct or via search on CamWeb), detailing the decisions and/or agreed actions and send a copy to the Head of HR Advisory Services, the Chief Internal Auditor and the Monitoring Officer for record keeping/monitoring purposes. The form may be sent electronically or on paper, but should be marked 'confidential'.

Stage Three: Response to the Whistleblower

The employee should be made aware what steps you intend to take to address the concern(s) and how and when you will communicate with him/her, during and at the end of the process. As this can be an anxious time for an employee, you should advise him/her of the support mechanisms available, e.g. from trade union representatives and/or the Counselling Scheme.

You should send the employee an initial acknowledgement of receipt of concern by email within a couple of days and then a written acknowledgement of the concerns raised within **7-10 working days**, as per the commitment within the Council's Whistleblowing Policy. This should include:

- Acknowledging that the concern has been received;
- Telling the person whether any initial enquiries have been made;
- Telling the person whether further investigations will take place and, if not, why not;
- Indicating how the matter is proposed to be dealt with;
- Giving an indication of when a final response or update will be provided;
- Supplying the person with information on staff support mechanisms;
- Detailing who the employee can contact externally, if he/she is not satisfied with the response.

Stage Four: Full Investigation

If you are called upon to investigate the concerns, you should investigate thoroughly and quickly, and in accordance with the Whistleblowing Policy. You must aim to be fair and objective at all times during your investigation, keep the details of the investigation confidential wherever possible, and you should also communicate regularly with the employee, so that he/she is aware of what is being done to address the concerns.

In conducting investigations you should ensure that you follow a clear process and document all meetings, findings, decisions and conclusions. You should:

- **Document the Scope:** Firstly, document the planned scope of the investigation and the questions the investigation should seek to answer. Depending on the outcome of the

initial investigation, the scope may or may not cover all areas of concern raised, but should be limited specifically to the allegations made.

- **Confirm the Scope:** The documented scope should be confirmed with the whistleblower. It may be appropriate to vary the scope during the course of the investigation, as new evidence comes to light. Any changes in scope should also be documented and confirmed with the whistleblower.
- **Plan the Investigation:** For each element of the investigation scope, plan how you will investigate and what evidence you will seek to obtain. Plan how you will obtain the relevant evidence, and in what order. For instance, it may be appropriate to obtain documentary evidence before interviewing staff. Remember that you should consider out any evidence which undermines the allegations, as well as evidence which may support them. Consider how long the investigation will take, and what policies and procedures or legislation you may need to familiarise yourself with, in order to conduct the review. Remember that you need to conduct a reasonable investigation, considering what is likely to be important and relevant, but do not need to investigate every single possible source of evidence.
- **Gather the Evidence:** Document all meetings and interviews, and retain any other relevant evidence to support your findings. It is important to retain the evidence, in case of any challenge to the investigation’s conclusions or findings. This may include witness statements, written documents and physical evidence. If you will need to interview individuals as part of gathering evidence, consider whether it may be helpful to have a note-taker present at the meeting.
- **Review the Findings:** As far as possible, ensure that your investigation addresses all elements and questions within the scope. Where questions have not been answered, document the reasons e.g. inconclusive/no evidence. At this stage, it is likely to be appropriate to discuss your findings with key stakeholders, such as your HR Advisor, and discuss any recommendations you are likely to make in your report.
- **Write the Report:** Your findings and conclusions should be documented in your investigation report, along with any recommended actions you have identified. You should ensure that any information relating to employee performance or attendance is not included in investigation reports, unless it is directly relevant to the concerns raised and investigated. You should ensure that the report is written objectively, and that it does not exclude any important information, as this could expose the investigation to accusations of bias.

Stage Five: Investigation Closure

A copy of the final report should be circulated to the Head of HR Advisory Services, the Chief Internal Auditor and the Monitoring Officer.

A summary of the report should also be issued to the whistleblower, unless there is a clear reason why this would not be appropriate. It should be made clear that it is a summary report

but it should still cover the scope of the investigation, a summary of the investigative work undertaken, the conclusions of the investigation, and the reasoning behind these. You may wish to consider whether it is appropriate to meet with the whistleblower to discuss the findings of the investigation in person.

You should stress to the employee, his/her responsibility in ensuring that confidential information, in whatever format, is not disclosed to a third party and/or an external organisation.

If your investigation confirms that the allegation(s) is unfounded, you should advise the employee that we will consider the matter closed and that he/she will be expected not to raise the concern again, **unless** new evidence becomes available.

Taking the Matter Further

If the whistleblower is not satisfied with the response to their concerns, they may wish to take the matter outside the Council, in which case concerns may be raised as per section 6 of the Council’s Whistleblowing Policy.

If the whistleblower has a complaint regarding the conduct of the investigation into their concern, they have the right to request their complaint is reviewed, as per the Council’s Whistleblowing Policy. In this case, they should direct their complaint to the Head of HR Advisory or the Chief Internal Auditor. If a formal complaint regarding the conduct of the investigation is raised with you as the investigating manager, you should refer the whistleblower to the Whistleblowing Policy and recommend that they raise the concern with the Head of HR Advisory or the Chief Internal Auditor.

Further information

Employees with questions about this guidance should speak to their Line Manager. Managers who need further information on how to apply this guidance or the Whistleblowing Policy should contact HR Advisory or Internal Audit.

Agenda Item No. 12

TITLE **Internal Audit Progress Report**

To: **Audit & Accounts Committee**

Date: **24th January 2019**

From: **Duncan Wilkinson, LGSS Chief Internal Auditor**

1. PURPOSE

- 1.1 To report on the main areas of audit coverage for the period 1st November to 31st December 2018 and the key control issues arising.

2. BACKGROUND

- 2.1 The role of Internal Audit is to provide the Audit Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 2.2 The Committee is requested to consider the contents of this report.

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LGSS Internal Audit & Risk Management

Cambridgeshire County Council

Update report

As at 31st December 2018

Section 1

1. FINALISED ASSIGNMENTS

- 1.1 Since the previous Progress Report in November 2018, the following audit assignments have reached completion, as set out below in Table 1.

Table 1: Finalised Assignments

No.	Directorate	Assignment	Compliance Assurance	Systems Assurance	Organisational impact
1.	Place & Economy	Cycle City Phase II	Grant Certification Provided		
2.	People & Communities	Troubled Families Grant	Grant Certification Provided		
3.	Cross-Cutting (CCC-wide)	ERP Gold Accounts Receivable	Interim Systems Assurance Report		
4.	Cross-Cutting (CCC-wide)	ERP Gold Accounts Payable	Interim Systems Assurance Report		
5.	Cross-Cutting (CCC-wide)	ERP Gold Debt Recovery	Interim Systems Assurance Report		
6.	Cross-Cutting (CCC-wide)	ERP Gold Bank Reconciliation	Interim Systems Assurance Report		

- 1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 4. This also excludes individual schools audits, which are reported collectively once all reviews have been finalised.
- 1.3 The following audit assignments have reached draft report stage, as set out below in table 2:

Table 2: Draft Reports

No.	Directorate	Assignment
1.	Cross-Cutting (CCC-wide)	Fees & Charges Policy and Compliance (incorporating findings of the review of Discretionary & Non

		Statutory Service Provision)
2.	People & Communities	Coram Cambridgeshire Adoption Contract
3.	Cross-Cutting (CCC-wide)	Payment Methods
4.	Cross-Cutting (CCC-wide)	Key Policies & Procedures
5.	Cross-Cutting (CCC-wide)	Impact of Price Quality Evaluation

- 1.4 Further information on work planned and in progress may be found in the Audit Plan, attached as Annex A.

Section 2

2. FRAUD AND CORRUPTION UPDATE

2.1 CURRENT INTERNAL AUDIT INVESTIGATIONS:

A summary of the current investigative caseload of the Internal Audit team is provided below at table 3. This includes investigations relating to suspected theft, fraud or misuse of funds, which are led by Internal Audit.

Table 3: Internal Audit Investigations Caseload

Case Category	Description of activity or risk example	No.	Outcomes
Investigations	FACT Investigation	1	Ongoing support to post-report process.
	Conflicts of Interest Investigations	2	Ongoing investigation work.
		2	Closed – no fraud.
	Whistleblowing Complaint	1	Closed – minor recommendations made.
		1	Ongoing investigation work
	Mileage and Expenses Investigation	1	Closed – minor recommendations made.
	Allegation of Theft	1	Closed – no theft.
	Allegation of Financial Abuse	1	Closed – referred to police.
Totals		10	

2.2 NATIONAL FRAUD INITIATIVE:

The National Fraud Initiative is a statutory data-matching exercise which matches electronic data within and between public and private sector bodies, to prevent and detect fraud. Cambridgeshire County Council is obliged to take part in this exercise, which is run by the Cabinet Office on a two-yearly cycle.

Work on collecting the required datasets has been led by the LGSS Internal Audit Counter-Fraud team. The following datasets were securely uploaded into the main NFI 2018/19 programme, and password protected via the Cabinet Office secure portal:

1. Finance; Creditors, Creditors Standing.
2. Pensions and deferred pensions
3. Transport; Concessionary Travel Passes, Residents Parking, Blue badges
4. Social Care; Private residential Care Homes, Personal Budgets
5. HR; Payroll including schools

The matches are expected to be received 31 January 2019. Results of the data-matching, which highlight “matches” (areas for further investigation by the Council) are expected in February 2019. Matches are rated ‘red’ and ‘amber’ to indicate high and low risk, and these ratings will be used to prioritise investigations. It is recommended that the Council review the high-risk matches, although it should be noted that typically these will include a number of ‘false positives’. Examples of the type of matches which may require investigation are given below:

Dataset	Example activity area
Residential care homes	Payments to private care homes by a council for the care of a resident where the resident had died
Personal budgets	Individuals claiming a personal budget who failed to declare an income or change of circumstances or were deceased.
Payroll	Employees working for one organisation while being on long-term sick leave at another or obtaining employment while not entitled to work in the UK.
Trade creditors	Traders who intentionally or unintentionally submitted duplicate invoices for payment.
Concessionary travel	Potential misuse of concessionary travel passes belonging to someone who has died.
Pensions	Individuals obtaining the pension payments of a dead person.

The Counter Fraud team will conduct initial sifting and forensic review of matches, to assess the value and the risk level of matches. The team will then work with the service areas and other participating bodies as appropriate to support investigations, make changes (including identifying savings or overpayments as appropriate), and maintain records of the investigations via the NFI portal. The team will target available resources towards matters where it appears financial adjustments are likely.

High-risk matters which are recommended for further investigation resource for will be referred for approval by the Section 151 Officer.

3 IMPLEMENTATION OF MANAGEMENT ACTIONS

- 3.1 The outstanding management actions as at the end of September 2018 are summarised in Table 4 below, which includes a comparison with the percentage implementation from the previous report (bracketed figures).
- 3.2 There are currently 16 management actions outstanding. Of these, five actions are further proposed for closure to further audit follow-up, on the basis that they are substantially completed and/or due to service changes meaning the risk environment has changed since the audit was completed. Further detail on all outstanding actions is provided at Annex B.

Table 4: Outstanding Management Actions

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
Implemented	0	0% (0%)	33	67% (62%)	33	67% (62%)
Actions due within last 3 months, but not implemented	0	0% (0%)	2	4% (15%)	2	4% (15%)
Actions due over 3 months ago, but not implemented	0	0% (0%)	14	29% (23%)	14	29% (23%)
Totals	0		49		49	

Section 4

4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE

No such reports have been finalised this quarter.

5. OTHER AUDIT ACTIVITY

5.1 UPDATES TO THE INTERNAL AUDIT PLAN 2018/19

Internal Audit has experienced a number of pressures on the delivery of the Internal Audit Plan 2018/19, due to additional requests for Internal Audit work as a result of the changing risk profile. In order to accommodate these pressures within available resource, the Plan was reviewed and revised in August 2018, with changes approved by SMT and Audit & Accounts Committee in September.

Pressures on the Audit Plan have continued and are outlined below. In order to accommodate these pressures, revisions to the Plan are proposed.

5.1.1 Updates to the Audit Plan

The following section outlines the proposed updates to the Audit Plan, reflecting the pressures placed on the Plan by additional work and proposed revisions to mitigate the impact of these:

Pressures on the Audit Plan:

- **Whistleblowing cases:** In November and December 2018, Internal Audit received a high level of whistleblowing referrals, with 5 separate concerns being raised with the service. All required initial investigation work, with a range of outcomes including: one audit investigation being commissioned; three cases where Internal Audit provided advice and supported the process of referring to the appropriate agencies; and one instance where an audit investigation alongside HR and the service manager was able to confirm that an alleged theft had not taken place.
- **Community Transport Investigation:** Additional work by Internal Audit continues to be required in responding to the findings of the PKF Community Transport investigation, providing assurance over the organisation's response including conducting audit work at the premises, and providing support to the Audit & Accounts Committee's review of actions.
- **Key Corporate Contracts:** Significant Internal Audit resource has been required to provide reviews of major corporate contracts and support to contract management arrangements. In particular, Internal Audit has been asked to provide support to the development of governance around the

Highways Contract, supporting the service in establishing the definition of actual cost with the contractor, and to conduct Open Book Review work as well as providing advice and support to the Waste Management Steering Group.

- **ERP Systems Assurance Work:** At the request of the Managing Director of LGSS and the Chief Executives and Section 151 Officers of the LGSS Client Authorities, the Internal Audit team undertook a series of reviews of the ERP system. The interim reporting on this work has now been completed, and further compliance testing is scheduled to take place on the ERP system in the last quarter of 2018/19 to inform the final reporting at the end of the financial year.

Proposed Revisions to the Audit Plan:

Further revisions to the Internal Audit Plan for 2018/19 are necessary to accommodate the level of pressure that has been experienced in the current financial year.

- **Revisions to the IT Audit Plan:** Following a review and consolidation of IT Audit Planning across the three LGSS Partners, it has been possible to recommend expanding the scope of IT Audit coverage at Cambridgeshire, without a requirement to increase the number of audit days required. It is recommended that an additional review of IT Procurement is added to the Plan, and the existing 'Information Security Audit' be replaced by two more focused reviews, specifically examining Cybersecurity & PSN Compliance, and Information Technology Governance. If agreed, work on these reviews is planned to commence in January 2019.
- **Audits to be removed from the Plan:** The following audit reviews are proposed to be removed from the Internal Audit Plan 2018/19. They will be considered for re-inclusion in the preparation of the draft Plan for 2019/20:
 - **Procurement Governance** – As a significant number of audit reviews are being undertaken on high-value Council contracts, as well as ongoing procurement compliance reviews, assurance will still be obtained in this area.
 - **Special Educational Needs Placements** – It is proposed that this audit should be incorporated into the 2019/20 Audit Plan.
 - **Safeguarding Assurance** – It is proposed that this audit should be incorporated into the 2019/20 Audit Plan.

- **Project Assurance Reviews (x3)** – Pressures on the Audit Plan have resulted in delays to the proposed project assurance framework, which aims to create a formal process to provide assurance over high-risk projects. As these reviews will be of greatest benefit when the framework process is in place, it is proposed that these reviews can be delayed and incorporated into the 2019/20 Audit Plan.

ANNEX A

CCC INTERNAL AUDIT PLAN 2018/19

Summary of Progress:

Total Completed Audits	26
Total Audits at Draft Report Stage	5
Total “Ongoing” Work <i>(i.e. which does not have a specific end date, but will close at the end of the financial year)</i>	12
Total Open Audits	26
Total Not Yet Opened Audits	15

Full Audit Plan:

Audit Title	Status	Quarter Opened	Quarter Closed
Cross-Cutting and Council Wide Audit			
Agency Staff Compliance	Open	2	
EU Procurement Regulations	Open	2	
Procurement Compliance	Open	1	
Unannounced Visits	Closed	1	3
Impact of Price & Quality Evaluation	Open	3	
Development of Project Assurance Framework	Open	2	
Project Assurance of High Risk Projects (1)	Open	3	
Project Assurance of High Risk Projects (2)	Cancelled	N/A	N/A
Project Assurance of High Risk Projects (3)	Cancelled	N/A	N/A
Project Assurance of High Risk Projects (4)	Cancelled	N/A	N/A
Development of Project Management Framework	Open	2	
Management of Consultants and Interims	Closed	1	3

Financial Planning, Demand Mgt and Control	Not Started		
Payment Methods	Draft	3	
Ely Bypass Review	Open	1	
Key Performance Indicators	Open	1	
Corporate Key Performance Indicator Framework	Not Started		
Discretionary and Non-Statutory Service Provision and Expenditure	Draft	2	
Fees and Charges Policy and Compliance	Draft	2	
Annual Key Policies and Procedures Review	Draft	3	
Directorate Performance Management	Open	1	
Grants to Voluntary Organisations Compliance	Open	3	
Grants to Voluntary Organisations Framework	Closed	1	2
Procurement Governance	Cancelled	N/A	N/A
Annual Whistleblowing Policy Report and Awareness	Open	3	
People & Communities Directorate			
Contract Management of Residential and Nursing Care Providers	Open	1	
Direct Payments Compliance	Open	2	
P&C Contract Management	Draft	2	
Troubled Families Grant 18-19	Ongoing	All year	N/A
Schools Payroll & Safe Recruitment 18-19	Cancelled	N/A	N/A
Personal Budgets	Open	1	
Fostering Service	Open	1	
Special Educational Needs Placements	Cancelled	N/A	N/A
Annual Safeguarding Assurance	Cancelled	N/A	N/A
Economy, Transport & Environment Directorate			
Transport Contract Management	Open	3	
Section 106 Funding	Open	3	
Highways Contract Open Book Review 18-19	Closed	1	2
Highways - Commercial Group	Open	2	
Highways – Contract Review	Open	2	
Waste Management Steering Group	Ongoing	All year	N/A
Street Lighting PFI Open Book Review 18-19	Open	3	

Waste PFI Open Book Review 18-19	Not Started		
Local Transport Capital Block Funding	Closed	1	2
Growth Deal	Closed	1	2
Bus Services Operators Grant	Closed	1	2
Pothole Action Fund	Closed	1	2
Cycle City Phase II Grant	Closed	1	3
National Productivity Fund	Closed	1	2
Safer Roads Funding	Closed	1	3
Procurement Transport Project	Closed	1	2
P&E Partnership Services Cost Recovery	Open	1	
Innovate UK - Smart Cambridge Grant	Closed	2	2
Flood Damaged Roads	Closed	2	2
Cambridgeshire Challenge Fund (Drought Damaged Roads)	Closed	2	3
SWIM Project	Closed	1	2
Public Health and Corporate & Customer Services Directorates			
Public Health Contract Management	Closed	1	2
Broadband Grant	Closed	1	1
Public Health Grant	Closed	1	1
Key Financial Systems			
Accounts Receivable	Not Started		
Purchase to Pay	Not Started		
Payroll	Not Started		
General Ledger	Not Started		
Bank Reconciliation	Not Started		
Treasury Management	Not Started		
Administration of Cambridgeshire Pension Fund	Not Started		
Financial Systems IT General Controls	Not Started		
ERP Assurance - Accounts Receivable	Closed	2	3
ERP Assurance - Accounts Payable	Closed	2	3
ERP Assurance – Debt Recovery	Closed	2	3
ERP Assurance – Bank Reconciliation	Closed	2	3
Risk Management Audit	Not Started		
Governance & Risk Management			
Risk Management	Ongoing	All year	N/A

Annual Governance Statement-Code of Corporate Governance	Ongoing	All year	N/A
Information Governance & IT Audit			
Information Security	Not Started		
Response to Information Security Incidents	Open	1	
Controls Review of Critical Systems	Not Started		
ICT Disaster Recovery	Not Started		
Anti-Fraud and Corruption			
Fraud Investigations 17-18	Ongoing	All year	N/A
Community Transport Investigation	Open	1	
Community Transport Tender Review	Closed	2	2
Whistleblowing Complaint	Closed	1	2
Declarations of Interest Investigation	Open	1	
Mileage & Expenses Investigation	Closed	1	1
National Fraud Initiative	Ongoing	All year	N/A
Other Planned Work			
Advice & Guidance	Ongoing	All year	N/A
Freedom of Information Requests	Ongoing	All year	N/A
Follow-Ups of Agreed Actions	Ongoing	All year	N/A
Audit Plan	Ongoing	All year	N/A
Committee Reporting	Ongoing	All year	N/A
Management Reporting	Ongoing	All year	N/A

ANNEX B

Summary of Outstanding Recommendations

(Recommendations as at the end December 2018).

Audit	Risk level	Summary of Recommendation	Target Date	Status
Client Contributions	I	<p>Deferred Payment Agreements</p> <p>The Service Delivery Manager Financial Assessments should ensure that all of the following staff are aware of the process for securing deferred payment agreements:</p> <ul style="list-style-type: none"> • Social Workers • Financial Assessments Team members • Debt Team members <p>If officers are not aware of relevant deferred payment agreements processes there is a risk that opportunities to secure debt recovery will be missed.</p>	30/09/17	<p>The service reported the development of mandatory Care Act management training for all new employees involved with deferred payments has been completed. They have also reported that all Financial Assessment staff have all be made aware of the proper process and that Care Team staff have had general over-view financial assessment training sessions.</p> <p>They have included the deferred debt training within the wider training for financial assessments, which is delivered to Financial Assessment Team staff and Social Care staff, on a request basis. Due to a period of high staff turnover, this had not yet been rolled out for the debt team, but are currently working with the team to arrange a training session and aim to have this completed by 15/02/2019.</p> <p>Internal Audit propose to close this action, on the basis that it has been substantially completed.</p>
Information Security Culture	I	<p>Information Security Incidents</p> <p>The Information Governance team should amend the incident report template to ensure higher-risk actions resulting from security incidents are followed up and</p>	31/12/17	<p>The Draft Audit Plan for 2018/19 includes a review of service responses to information security incidents. This audit is now underway and will provide a clear view of whether this action</p>

		<p>reviewed to ensure completion.</p> <p>The team should also amend the Information Security breach procedure, to include a formal escalation process to the IM board actions to prevent further incidents have not been completed.</p> <p>If there is no follow-up and actions are not completed, there is an increased risk that security incidents may happen again.</p>		<p>has been implemented and any further actions required. The audit work is expected to be completed in the next month.</p> <p>Revised target date: 31st January 2019</p>
3rd Party Assurance	I	<p>Contracts do not have third party assurance requirements</p> <p>Officers responsible for commissioning high-value contracts with suppliers who are likely to hold or process large volumes of personal data, should consider including in their specifications that the Council must be provided with appropriate third party assurance over the security of systems. IT and Procurement officers should be aware of the possibility of including these requirements in specifications, and provide advice and guidance to officers commissioning such contracts.</p>	31/05/18	<p>The Business Intelligence Manager confirmed work is progressing on this recommendation but that it is proving more resource-intensive and taking longer than originally anticipated. He currently anticipates that the work should be completed by February 2019 (dependant on resource levels).</p> <p>Revised target date: 28th February 2019</p>
Schools Payroll & Safe Recruitment	I	<p>Review of CCC Contracts with External Payroll Providers</p> <p>Internal Audit recommended a review of CCC's contracts with the external providers of payroll services to maintained school, to assess the requirements relating to the provision of third-party assurance over integrity of payroll systems.</p>	30/06/18	<p>A meeting with external payroll provider EPM to discuss the recommendation has been arranged for the 16th January after it had to be postponed previously. The contract renews in April 2019.</p> <p>Revised target date: 31st March 2019</p>
Business Intelligence Continuity	I	<p>Business Intelligence Service Plan and Team Work Plans</p> <p>The Business Intelligence Service Plan should be reviewed to include how the Service aims to reduce silo</p>	30/06/18	<p>There have been significant changes to the team since this audit. In the early part of 2018, Corporate and Customer Services as a directorate started exploring synergies between</p>

		working and overdependence on specific individuals and plans for cross-skilling members of the team.		CCC and PCC in the areas of business intelligence / analytics and systems.
I		Workforce Development Plan and Procedure Notes A shared workforce development plan to be produced across the service. Procedure notes to be produced for key tasks in the Research and Internal Information teams, in particular any tasks which are undertaken by a single individual or are subject to significant time pressures.	30/06/18	This developed into consideration of a shared service in Summer 2018. The proposals were approved by the Shared Services Programme Board, and Tom Barden took over as Acting Head of Business Intelligence in CCC and PCC from 3 September 2018. The service also moved into a new directorate (the Business Improvement and Development directorate) at the same time, and is working with Amanda Askham, the new director, to develop the strategic direction of the new directorate and reflect on how that impacts our service and development objectives.
I		Staffing Coverage in the Business Continuity Plan Staffing to be included in the service's Business Continuity Plan, including detail of how the service will continue to provide services during periods of time where large numbers or key members of staff are unavailable. The plan should identify potential key points of failure, with a focus on any statutory services or work which affects statutory services.	30/06/18	This has resulted in a set of development objectives for the shared service, which address the issues about resilience and sustainability and explore how this will work in several key test areas. The service is now creating a 'Phase 2' development plan, which will allow more alignment of systems, tools, processes and people (acknowledging dependencies on IT especially), e.g. a common reporting architecture. This phase 2 plan will bring CCC and PCC approaches into alignment and form a cross-service plan.
I		Written Prioritisation Framework A formal written prioritisation framework to be produced as part of service planning. This will clearly identify what work constitutes planned 'Business As Usual' work and the capacity required to complete this; how the service will prioritise requests for additional work from commissioners and the process of approving new work to be taken on; and how the team will identify work which can be cancelled or delayed if high-priority additional work is identified and there is not capacity to complete this as well as other planned work.	30/06/18	In the meantime, teams are maintaining their usual work planning approaches (where they are not under development as part of the shared service, e.g. in education). Internal Audit propose to close these actions,

				<p>on the basis that the changes to the service mean that the actions are no longer fully aligned to current service priorities, and the development work taking place as part of planning for the new shared service is planned to cover the same improvement areas identified by the audit review.</p>
<p>Direct Payments Compliance</p>	I	<p>Monitoring done by Direct Payment Support Services The role of the Direct Payment Support Services in relation to the type and frequency of monitoring they carry out on accounts must be clarified.</p> <p>Direct Payment Monitoring Officers should monitor a sample of trackers with the relevant invoices to ensure Purple/Penderels are paying out money in accordance with the service user's Care and Support plan.</p> <p>Risks: • Service users could misuse their money without detection • The Council may not be getting value for money from their chosen Direct Payment Support Service</p>	30/04/18	<p>The Internal Audit team are now reviewing the direct payments contract processes as part of the 2018/19 Direct Payments audit review. This audit is expected to be completed within the next few weeks. Emerging findings are subject to change as audit work continues but currently it anticipated that this outstanding action will be incorporated into more up to date recommendations in this latest audit.</p> <p>Revised target date: 31st January 2019</p>
<p>Use of Consultants</p>	I	<p>Consultancy Policy The Council's Consultancy Policy is out of date and no longer reflects current arrangements for procuring consultancy. Although new arrangements have been communicated to SMT/CLT, there is a need for the Policy to be revised and updated in line with the new arrangements, and to reflect key findings of this report.</p>	30/09/18	<p>The Consultancy Policy is in the process of being updated with HR and Procurement colleagues, to incorporate the issues outlined in the recommendations.</p> <p>The new policy is substantially complete, but cannot be finalised until the process by which Business Cases for consultancy expenditure will be formally approved is agreed. A process has been proposed, but further development is needed. It is anticipated this will be completed by</p>

				the end of the financial year. Revised target date: 31st March 2019
Deprivations of Liberty in Residential & Nursing Settings	I	<p>Backlog of cases IA recommends that the team should develop a formal plan to monitor and address the backlog, including targets for the number of cases to be processed on a monthly/quarterly basis; a risk-assessed approach to prioritising backlog cases to be addressed; and formal progress reporting to senior management. Risk: Non-compliance with the Legislation</p> <p>Agreed Management Actions:</p> <p>a) The team is currently getting advice from the legal team on whether they can go ahead with their proposed plan of split of back log cases into 2 lists and to write back to the managing authorities to resubmit application for those clients which they think are deprived of their liberty.</p> <p>b) In addition to this, Internal Audit recommends that the team should develop a formal plan to monitor and address the backlog. This action included a range of requirements for the planning, including targets for the number of cases to be processed on a monthly/quarterly basis; a risk-assessed approach to prioritising backlog cases to be addressed; and formal progress reporting to senior management.</p>	31/12/18	The service has stated this action is completed and has provided supporting evidence. As this is a complex area, at the time of reporting it has not been possible for Internal Audit to fully review the evidence provided and assess the completion of the action. this had yet to be reviewed by Internal Audit at time of reporting, but it is anticipated that this action will be closed.
EU Procurement	I	Lack of Committee Approval for Procurement Activity	31/08/2018	An update has been requested from the Assistant Director, Commissioning but had

Regulations		<p>The Joint Commissioning Board should clarify with officers that they need to seek Committee approval in addition to Joint Commissioning Board approval for any contracts valued over £500,000 (i.e. 'key decisions' under the Council's Constitution).</p> <p>Internal Audit recommends that further awareness-raising work is undertaken to ensure that new officers within the organisation are provided with guidance and training on procurement process.</p>		<p>not been received at the time of this report. The intention will be to provide a verbal update to the Committee.</p>
Archives Financial Management	I	<p>Management Review of Controls</p> <p>In the absence of a separation of duties the Archives and Local Studies Manager (or someone else not involved in transactional processes) should perform periodic independent checks to confirm that:</p> <ul style="list-style-type: none"> • Amounts originally recorded in till books are reflected in bank paying in books and ultimately the Archives service budget. • "Z" readings follow on sequentially • Explanations are provided for any significant variances between till "Z" readings and actual cash received. <p>Where significant or recurring issues are identified the frequency of checks should be increased and controls strengthened as appropriate.</p>	30/09/17	<p>These checks unfortunately were not completed as planned, due to staff resource issues. The first check will now be completed by the 31/01/2019 and sent through to Internal Audit.</p> <p>Revised target date: 31/01/2019.</p>
Social Media Use	I	<p>Regulation of Investigatory Powers Act Policy:</p> <p>The existing Regulation of Investigatory Powers Act (RIPA) policy and guidance should, as soon as possible, be enhanced in respect of social media in order to reflect the contents of the letter from the Office of Surveillance</p>	31/03/18	<p>Legal have drafted a new joint RIPA policy and subject to a few tweaks that he has recommended they will then be sending it to the appropriate committees at each authority for sign off. At this stage they will publish it and draw attention to it at CCC. Also they have drafted a</p>

		<p>Commissioners, dated 20 March 2017 which specifically refers to the Covert Surveillance of Social Networking Sites.</p> <p>The policy and guidance should be made readily accessible to all staff by being re-instated on the CCC intranet.</p>		<p>very user-friendly RIPA toolkit to sit alongside the policy document. As recommended by the inspector, they will also be extending training for RIPA into areas which do not currently use it, such as children's social care, with particular emphasis on staff using information gathered from social media.</p> <p>Revised target date: 31/01/2019.</p>
Information Governance Policies	M	<p>Asset management policies and procedures</p> <p>A complete physical asset register, listing the council staff member responsible for the asset should be created</p> <p>If assets are not managed or lost there is a risk of data breaches occurring (and not identified) leading to reputational or financial damage.</p>	30/09/17	<p>There have been delays due to ensuring the ERP system is ready and ensuring that IT are fully involved. A review of the situation is needed to ascertain if system changes would be required. The Service has confirmed that a significant process and policy change within IT will be required.</p> <p>Revised target date: 31/01/2019.</p>
Section 106	M	<p>S106 Monitoring system records:</p> <p>The Internal Audit review identified gaps in the team's electronic S106 recording system. It was therefore agreed that, following the introduction of a new S106 monitoring system, every scheme should be subject to detailed review to establish that all of the electronic information relating to each scheme is complete and accurate.</p>	30/09/17	<p>The Team were hoping to purchase the Exacom software through the Transformation Fund but whilst developing the business case, the Capital Programme was identified as more appropriate. This funding has been agreed by General Purposes Committee in November 2018. Procurement of the system is commencing in January 2019. When procured, training and data migration will follow and the system will be live for use by the end of April 2019.</p> <p>Revised target date: 30/04/19</p>
Client	M	Monitoring Take-Up of Direct Debits	30/04/17	Direct Debit uptake will be added to the list of

Contributions Payment Methods		Regular monitoring of the take up of direct debit payments should be undertaken to identify if activities to encourage customers to pay by direct debit have been successful.		<p>proposed measures for the finance dashboard, to be agreed by management teams. This action was planned to be linked to the new online Direct Debit form being set up. The reports can now be run manually, and the performance dashboard is expected to be updated to include information on direct debit by the end of January 2019.</p> <p>Revised date: 31st January 2019</p>
Safe Recruitment Compliance	M	<p>Flag Overdue DBS Information:</p> <p>Internal Audit review identified that DBS checks which are recorded in employee files are not always also recorded on Oracle. To assist HR and managers in easily identifying any overdue DBS information, it was agreed that for all employees involved in regulated activities and who require an Enhanced DBS check, a flag should appear on ERP Gold until DBS information has been entered. This will reduce the risk that follow-up action to ensure all DBS checks are in place may not be undertaken.</p>	31/12/17	<p>HR are working with colleagues involved in delivery of ERP to try to progress this action. The latest update from HR stated that this recommendation is likely to be actioned by the end of the year.</p> <p>Revised target date: 31st March 2019</p>

AUDIT AND ACCOUNTS COMMITTEE FORWARD AGENDA PLAN

MEETING DATE REPORT DEADLINES AND REPORT TITLES	Frequency of report	Corporate/Service Director /external officer responsible	Report author
COMMITTEE DATE 2.00 P.M. THURSDAY 28TH MARCH 2019			
Deadline for reports to be with Democratic Services: Mid-day Friday 15th March			
Community Transport Update	Each meeting	Audit and Risk Manager	Mairead Claydon
Membership Update Report (FACT HACT ESAC)	One off	Assistant Director Cultural and Community Services	Christine May
PKF Report – regarding FOI requests	One off	Audit and Risk Manager	Mairead Claydon
Children’s Social Care Case Loads Update Report	Quarterly		Sarah Jane Smedmor
2019-20 External Audit Plan	Annual report	External Audit	Mark Hodgson | Associate Partner Ernst & Young LLP
Integrated Resources and Performance Report	Each Cycle - would always be	Chief Finance Officer	Tom Kelly / Rebecca Barnes

	one that had already been through General Purposes Committee		
Statement of Accounts Process – Action Plan Update	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker / Martin Savage
Quarterly Report in respect of Consultancy expenditure	Quarterly Report requested at the November 2018 meeting	Audit and Risk Manager	Mairead Claydon
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) <i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>	Each meeting	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
Transformation Fund Update Report	Quarterly	Transformation Manager	Julia Turner
Section 106 – Monitoring of any Unspent Funds	Six monthly – either report or e-mail	Deputy Section 151 Officer	Tom Kelly

Cambridgeshire Council People (previously Workforce) Strategy <i>Note: This report will be provided for information - the finalised document is going to 26th March General Purposes Committee and Full Council for final approval [n 14th May.</i> <i>After May it is suggest that this Committee receive either bi-annual or annual update reports on progress against the Council agreed action plan.</i>		Head of HR	Martin Cox / Lynsey Fulcher
Internal Audit Progress Report (Including Progress of Implementation of Management Actions and Internal Audit Plan Update and updates in the recommendations including an update on the National Fraud Initiative data matching exercise requested at the May 2017 meeting) <i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>	Each meeting	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
COMMITTEE DATE 2.00 P.M. TUESDAY 28TH MAY 2019			
Deadline for reports to be with Democratic Services: Mid-day Wednesday 15th May 2018			
Use of Consultants Policy Document	One off	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update)	Each meeting	LGSS Chief Internal Auditor	Duncan Wilkinson / Mairead Claydon

Including follow up review on compliance with policy on use of consultants agreed at the November 2018 meeting <i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>			
Integrated Resources and Performance Report	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
Safer Recruitment in Schools Update – agreed at the July 2018 meeting that due to the improvements made and the programme of training and follow up checks in place the next appropriate update should be around Easter 2019. With Easter being April, this would be therefore this meeting.	At least bi-annual	Senior Education Adviser	Chris Meddle
Statement of Accounts Process – Action Plan Update	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker
COMMITTEE DATE 2.00 P.M. TUESDAY 11TH JUNE 2019			
Deadline for reports to be with Democratic Services: Mid-day Thursday 30th May			
Draft Accounts 2018-19	Annual Report	LGSS Finance	Jon Lee / Martin Savage / Tracy Pegram
Quarterly Report in respect of Consultancy expenditure	Quarterly Report requested at the	Audit and Risk Manager	

	November 2018 meeting		
COMMITTEE DATE 2.00 P.M. TUESDAY 30TH JULY 2019			
Deadline for reports to be with Democratic Services: Mid-day Wednesday 17th July			
Review of the Implementation of the 'Change For Children Programme' including The Development Of Shared Services Across Cambridgeshire And Peterborough	Further progress update requested at the November 2018 Committee		
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) <i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>	Each meeting	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
Integrated Resources and Performance Report	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
ISA 260 Report Accounts		External Audit	Mark Hodgson | Associate Partner Ernst

			& Young LLP
ISA 260 Report – Pension Fund Accounts			
Training Plan	Yearly review	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
COMMITTEE DATE 2.00 P.M. TUESDAY 24TH SEPTEMBER 2019			
Deadline for reports to be with Democratic Services: Mid-day Wednesday 11th September			
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) <i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>	Each meeting	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
Quarterly Report in respect of Consultancy expenditure	Quarterly Report requested at the November 2018 meeting	Audit and Risk Manager	
Integrated Resources and Performance Report	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes

Statement of Accounts Process – Action Plan Update	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker
COMMITTEE DATE 2.00 P.M. THURSDAY 28TH NOVEMBER 2019			
Deadline for reports to be with Democratic Services: Mid-day Friday 15th November			
Safer Recruitment in Schools Update	Bi-annual	Senior Education Adviser	Chris Meddle
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) <i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>	Each meeting	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
Integrated Resources and Performance Report	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
Statement of Accounts Process – Action Plan Update	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker
COMMITTEE DATE 2.00 P.M. TUESDAY 28TH JANUARY 2020			

Deadline for reports to be with Democratic Services: Mid-day Wednesday 15th January			
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) <i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>	Each meeting	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
Quarterly Report in respect of Consultancy expenditure	Quarterly Report requested at the November 2018 meeting	Audit and Risk Manager	
Integrated Resources and Performance Report	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
COMMITTEE DATE 2.00 P.M. TUESDAY 24TH MARCH 2020			
Deadline for reports to be with Democratic Services: Mid-day Wednesday 11TH March 2020			
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update)	Each meeting	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon

<i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>			
Community Transport – 12 month on review of the consequences of recommendations on membership as implementation of Membership changes from March 2019	Request from November 2018 Committee	Internal Audit / Assistant Director of Culture and Community Services	Duncan Wilkinson / Mairead Kelly / Christine May
Integrated Resources and Performance Report	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
Statement of Accounts Process – Action Plan Update	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker
Transformation Fund Monitoring Report	Quarterly Update		Julia Turner
COMMITTEE DATE 2.00 P.M. TUESDAY 2nd JUNE 2020			
Deadline for reports to be with Democratic Services: Mid-day Thursday 21st May 2020			
Statement of Accounts Process – Action Plan Update	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update)	Each meeting	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon

<i>Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date</i>			
Integrated Resources and Performance Report	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
COMMITTEE DATE 2.00 P.M. TUESDAY 16th June 2020			
Deadline for reports to be with Democratic Services: Mid-day Wednesday 3rd June 2020			
Draft Accounts 2019-2020			Jon Lee / Martin Savage / Tracy Pegram

REPORTS TO BE PROGRAMMED ONCE THE NEW MEETING DATES AGREED

Internal Audit Report on Capital overspends to include a presentation (as agreed at the 22nd June Committee meeting) <i>Note: this slipped from the September and November meetings as Internal Audit were still carrying out further due diligence work and as the Ely Bypass Project work has been more complex than originally envisaged.</i>		LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
BDO External Audit Final report on investigations into challenges to the 2016/17 and 17-18 Accounts		Council's previous External Auditors - BDO	Lisa Clampin

Update 16th January 2019