

# AUDIT AND ACCOUNTS COMMITTEE



**Date: Tuesday, 28 May 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**

1. **Notification of Chairman and Vice Chairman**  
The Annual Council meeting held on 14th May agreed to appoint Councillor Shellens as the Chairman and Councillor Rogers as the Vice Chairman for the Municipal Year 2019-20.
2. **Apologies for absence and declarations of interest**  
*Guidance on declaring interests is available at <http://tinyurl.com/ccc-conduct-code>*
3. **Audit and Accounts Minutes 28th March 2019** **5 - 26**
4. **Minute Action Log update** **27 - 38**
5. **Petitions and Public Questions**
6. **Safer Recruitment in Schools Update** **39 - 44**
7. **Ely Bypass Project - Review to Follow**

<b>8.</b>	<b>Whistleblowing Policy Annual Report</b>	<b>45 - 62</b>
<b>9.</b>	<b>Community Transport Action Plan Update Report</b>	<b>63 - 106</b>
<b>10.</b>	<b>Update on Expired Section 106 Receipts (Developer Contributions)</b>	<b>107 - 110</b>
<b>11.</b>	<b>Integrated Resources and Performance Report for the year ending 31st March 2019</b>	<b>111 - 162</b>
<b>12.</b>	<b>Forward Agenda Plan</b>	<b>163 - 172</b>
<b>13.</b>	<b>Date of Next Meeting - 11th June</b>	

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, 28<sup>th</sup> March 2019

**Time:** 2.00pm – 5.10 pm

**Place:** Kris Viersen Room, Shire Hall, Cambridge

**Present:** Councillors: I Bates (substituting for Councillor Hudson) N Kavanagh, M McGuire, T Rogers (Vice Chairman), M Shellens, (Chairman), and J Williams

**Apologies:** Councillors P Hudson and D Wells

**156. DECLARATIONS OF INTEREST**

None.

**157. MINUTES**

The minutes of the meetings held on 24<sup>th</sup> January 2019 were agreed as a correct record and signed by the Chairman.

Update requests / matters arising:

**Page 26 - Action 3 - Chief Finance Officer to` review a random selection of legal documents** – The Chairman confirmed he had spoken to the Chief Finance Officer who had also met with the Monitoring Officer regarding the measures that were to be put in place to enhance the checking procedures for the wording / accuracy of legal documents

**Page 27 -Geographical Eligibility to Community Transport** – Regarding the challenge at the previous meeting by Councillor Williams on the statement that South Cambridgeshire did not have a Community Transport provider, as he knew of two community transport providers for South Cambridgeshire and with regard to his understanding that a further one was being sought in the north, Internal Audit were asked to find out the progress. **Action: Mairead Claydon to liaise with Christine May.**

Other Community Transport issues raised were included in the report later on the agenda.

**158. MINUTES ACTION LOG**

Updates and issues raised included:

**Item 1 Section 106 Six Monthly Update Report**

Regarding the requirement to provide a six month update report to the

meeting or via e-mail on any un-spent Section 106 monies where the deadline for their spend had passed, as this had not been provided, an oral update was given at the meeting. This stated that the remaining balance on those contributions where the deadline had run out pre 2018-19 amounted to £68k. Officers were expecting to be able to use all of this funding in 2018-19. However as funding was not applied to projects until the end of the year, the Committee would be better receiving an update at the May Committee meeting on outstanding balances, once that process has happened.

In response to a question from the Chairman asking whether the developers would be contacted to confirm how the funding was to be used, the officers clarified that where the spend was actually incurred before the deadline then no, but she would check regarding whether officers would be contacting contractors regarding any amounts outstanding and the use to be made of them. **Action Eleanor Tod**

It was agreed that an update report should come back to the May Committee. **Action Tom Kelly**

### **Item 3 - Ely Bypass Project**

Confirmation from Internal Audit that this was still scheduled to be presented to the May Committee meeting.

### **Item 15 - Minute 148 - Level of Outstanding Debt.**

Regarding delays in the actions on the Debt report due to the previous Head of Debt and Income having left shortly after the meeting, the Chairman indicated that he had asked the Deputy Section 151 officer to arrange a meeting with the new postholder. **Action: Tom Kelly**

### **Item 6 - Objections to the Accounts**

The Chairman expressed his continued concerns regarding BDO, the Council's previous External Auditors, still not having concluded their review of the outstanding objections from members of the public on the previous two year's Council Accounts. Mark Hodgson from Ernst Young the Council's current External Auditor confirmed that this could impact on their ability to provide a Value for Money opinion by July.

The Minute Action log was noted.

## **159. PETITION AND PUBLIC QUESTIONS**

No Petitions or public questions were received.

## **160. CHILDREN'S SOCIAL CARE CASELOADS QUARTERLY UPDATE**

This report provided an update of the children safeguarding, corporate parenting and disability caseloads in the Children's Social Care teams.

It was highlighted that the restructure of the previous Unit Model to the new Team Model of two teams working across the North and South of the County as detailed in the report meant that the information could not be compared to that provided in previous update reports. It was highlighted that staff preferred the new structure and in addition, some former staff who had left when the previous model was introduced, had now returned to the Council.

Key issues highlighted included:

- Existing staff were appointed to their roles in the new structure prior to November 2018 and received induction days to support their work in the new teams. For posts which remained vacant, recruitment was still continuing.
- There were currently 3 vacancies in the North with 66 workers in post and three appointments in the pipeline.
- The South Team was more of a challenge as there should be 75 posts, of which only 50 staff were currently permanent staff. When vacancies could not be recruited to, or whilst new recruits are awaited, the caseloads had to be shared amongst the teams, creating higher caseloads than the targets as shown in the report.
- A successful recruitment campaign had been undertaken with the Transformation Team and once pipeline starters were included, there was only expected to be three vacancies, although extra demand was still an issue. A recent Ofsted inspection had been impressed by the morale of staff in the Teams.

Issues raised included:

- Whether the recruitment issues could be compared with places such as Essex and North Hertfordshire? In reply Social Worker recruitment was a challenge nationally. The Council were working with consultants CPL regarding ways to improve staff retention and adopting best practice from other authorities. Measures included offering training and from September 2019, apprenticeships, as well as providing positive messages on the value of the jobs undertaken. In terms of what could be seen as being slow to offer apprenticeships, nationally, Children's Services had been the last to receive Government guidance and this had only taken place in the last six months.
- Whether the target caseloads shown were national standards or Cambridge standards? This reflected the targets taken from those social services departments classed as exceptional and were considered to be manageable caseloads.
- How did clients respond to the challenges of agency staff coming and going? This was accepted as an ongoing challenge, as the ideal was to have continuity of the same social worker for a child.
- Clarification was sought on the difference regarding the age groups served by the main teams highlighted

The following clarification was provided:

- Assessment only covered the initial phase and had an 8 week target
  - Children; pre-birth to 18
  - Adolescent 11-18
  - Looked After Children – up to 25
  - Care leavers 18-25.
- In response to questions asking for more detail regarding the successful international recruitment exercise, it was explained that the recruitment had been undertaken last May as a joint initiative with Peterborough City Council with social workers recruited from South Africa and Rumania. On their qualifications it was explained that the advertisements detailed the qualification standard required and that once they had received their induction and any pastoral support required (as they were new to the Country) they were then ready to work with cases on their own, which had been the position from October / November. No one had so far left from those recruited.

Additional requests for information (**Action: Sarah-Jane Smedmor**) included:

- Providing the Chairman with details of the length of service distribution between the North and the South Teams
- Details of the number of part time workers employed in the teams
- Details of the number of apprenticeships.

It was agreed to note the report.

## **161. REVIEW OF CONSULTANCY POLICY**

The updated Consultancy Policy was reviewed and endorsed by Strategic Management Team (SMT) on the 7<sup>th</sup> March. This report outlined the main changes made to the Policy, included as Appendix 1 to the report, which also incorporated some suggested by this Committee at an earlier meeting. It provided details of the Council's project management system Verto which would enable a centralised overview keeping records of each consultancy placement and also providing the information on the use and spend on consultants within each Directorate for regular overview by SMT and for inclusion in a quarterly report to this Committee.

The policy now:

- Provided a clear distinction between a consultant and an interim and their engagement routes. Final approval to engage a consultant required to be obtained from either the Deputy Chief Executive or the Director of Business Development and Improvement.
- Emphasised the requirement for payment to consultants to be linked to the achievement of agreed outcomes and that payment should be staged to ensure the largest proportion was allocated upon completion of the outcomes.

- Emphasised that contracts for consultancy must include expected costs for expenses and the proviso that no separate expenses would be paid.
- Required that for each consultancy arrangement there was to be a named officer at senior level to take responsibility for day-to-day procurement and management of the contracts and to ensure that the arrangement complied with the Policy and legislation, and that agreed outcomes in the contract were delivered.

Issues raised in discussion included:

- Providing confirmation that each Service Director would be responsible for their Directorate's consultancy spend.
- One Member highlighting that while there was reference to ex-employees whose employment had been terminated on the grounds of voluntary or compulsory redundancy not being re-employed by the Council as a consultant, there was no similar reference to retired employees being re-employed by the Council as a consultant in the Policy. This had been a particular cause of concern following a high profile example of this. In reply, Martin Cox confirmed that re-employment as a consultant following redundancy / retirement had always been challenged in the Council and this approach would continue.
- One Member asked what accountability there was post contract if the Council was not satisfied that the consultant had carried out the work required and what ways were available to show that the consultant had added value and been a positive benefit to the Council. In reply this would be achieved by the closer contract monitoring measures set out in the Policy and also the requirement to ensure the value was specified in the engagement contract so the expected benefits were established before the consultant was employed. The only post contract remedies would be if there had been a significant failure or legal risk from the work that had been carried out.
- Which areas of the Council utilised consultants the most? These were where there were time managed projects and capacity issues in house e.g. Highways projects where there was not the expertise in-house.
- Who filled for maternity / paternity cover? Paternity cover was not an issue as they were for shorter periods. For maternity cover directorates were encouraged to go through internal employment procedures in the first instance. Agencies were the next stage if vacancies could not be filled by internal staff.
- What happened if a consultant was required for a longer period than the original contract? The directorate involved would need to provide a valid business case.
- When would the monitoring commence? As the process was currently being worked through the expectation was that SMT would be able to receive the first report within six to eight weeks.

It was resolved:

- a) To note the content of the Updated Consultants Policy and the reporting

Arrangements, as detailed in the report.

b) That the Committee should receive quarterly monitoring reports.

## **162. ESTATES AND BUILDING MAINTENANCE INSPECTIONS**

This report provided additional background information in respect of the Council's current approach to the inspection and maintenance of buildings within its assets portfolio and made recommendations to improve the processes involved going forward. The report received at the January Committee had been in response to the request for a report to include:

- A list all property assets.
- A list of all property inspections, with a summary of findings.
- A list of leased properties to include lease length, lease terms, repairing obligations and rent collection.

Not all the information required was available in time for the January report and as a consequence, a revised report was requested for the current meeting. This report provided more detail on Education arrangements and inspections and leases. It also reiterated that the current overview of responsibilities for property inspections and in some cases maintenance, was divided between Education, Property, Compliance, Strategic Assets and Accounts receivable.

Appendix 1 to the report contained a full list of the County Council Property Assets with a Confidential Appendix 2 providing lease information on rents and tenancy terms.

Further to a request for additional information at the Chairman's briefing meeting held earlier in the week:

- It was reported that there were 115 full academies which were responsible for their own repairs and 140 non academy schools also responsible for their own day to day repairs with the detail as set out in the report.
- The current debt outstanding figure stood at £105k.

Officers accepted that in collating the information for the report it was clear that the Council's current approach to property inspections and in some cases management, was fragmented. Although the Council operated a central estates and property function, some property responsibilities sat within operational services i.e. a number of rents and maintenance inspections of non-academy schools. The report highlighted a number of non-people related actions that could be amended with additional resource, to help create a single view of all property into a corporate asset base through the current K2 system (which required to be fully implemented).

While there was a rolling programme of condition surveys for non-schools, this had not been replicated for education properties. On the education side

comprehensive inspections had been carried out in 2012. Many schools had become Academy's since then and were responsible for their own maintenance. While non-academy schools were delegated the responsibility for the upkeep of the buildings within which they operated, as the Council still had a duty of care to the children, the report recommended formalising an inspection process. The information to be used to inform the allocation of a maintenance programme. In addition, the aim would be in future to centralise more of the income collection under the Property Team, to ensure greater transparency.

Questions / issues raised included:

- In reply to why K2 had been so slow to implement, it was explained that it had been purchased when Property Services was part of LGSS and when first implemented, was tailored towards Northamptonshire's needs and therefore did not meet the different requirements of Cambridgeshire. This had been compounded by both Council's property teams leaving LGSS in 2017. Cambridgeshire did not receive its own version of K2 until January 2018.
- With reference to the relevant appendix asking when the missing lease information would be provided, the proposals was to aim for full details to be available within three months. It was reported that good progress was currently being made and the lead officer had undertaken to provide the Chairman with updates on progress on a monthly basis.  
**Action: John Mac Millan.**
- The Chairman asked that from the current inspection exercise had any areas of particular concern been discovered? In reply, Phil Hill Compliance Manager Property Services explained that after the Grenfell tower block fire tragedy there had been an audit of academies as the officer saw academies as being the greatest risk area. He highlighted fire risk assessments and boiler servicing as examples where there was no requirement for academies to undertake regular inspections / servicing.
- In reply to a question, 177 was the number of non-education buildings in Council ownership.
- Regarding the Devolved Formula Capital grant that schools received to maintain school buildings and undertake small repairs, a question was raised regarding whether the Education Funding Agency (EFA) and Department for Education checked how academies spent the grant. This was not an area within the Council's remit. It was explained that most local academies now bought into the Council compliance inspection services and for those, it was not expected that serious issues would be found. The Council provided safety compliance training for both head-teachers and their school governors.
- One Member expressed surprise that 91% of schools still contained asbestos. He had assumed it would have been removed years ago as a serious health hazard. It was explained that most asbestos was not dangerous if it was undisturbed. Asbestos in schools was formally checked twice a year. The Council were currently rated by a recent

EFA survey to be in the top 10 Councils for the management of asbestos.

- Regarding the responsibility the Council had with regard to the 125 year leases of school buildings to academies, details were provided of the three frameworks in place to support schools and their commercial activities as detailed in section 5 of the report (pages 68-69). While contracts for repairs were let, compliance and ensuring best value was obtained, was still a Council responsibility.
- A question raised for an answer outside the meeting was whether the Council's Farms Estate building inspections programme could be incorporated into the other non-farms inspection programme rather than employing outside contractors. *(Post meeting clarification note: The majority of maintenance responsibility rests with tenants. The inspections are carried out by in house surveyors and the opportunity is also taken to gather intelligence on the tenant's aspirations and discuss business development which been an important factor in the progress of the Farms Estate).*

For greater clarity on the inspections process and to ensure regular inspections for all properties within the Council's responsibility, officers recommended a change of wording to recommendation 3 which was accepted by the Committee and is included in the agreed recommendations below.

It was resolved:

- (1) To note the contents of this report;
- (2) Support the commissioning of non-intrusive condition surveys to be undertaken for all maintained nursery, primary and secondary schools in Cambridgeshire and Peterborough, and for the Cambridgeshire element to be funded from the Councils 2019/20 maintenance allocation from the Department for Education;
- (3) That the above survey become baselined as an operational activity and be commissioned so that all schools were reviewed on a rolling basis of 5 years in addition to Cambridgeshire County Council's non-school property assets, which were already inspected on a rolling five year basis and that annual reports were made to inform Audit and Accounts Committee.
- (4) That a report was prepared for both Commercial and Investment (C&I) and Children and Young People's (CYP) Committees) that evaluated the option of bringing the property management functions for both schools and non-school assets together into a single delivery model;
- (5) That the on-going merger of schools property data (paragraph 7.3 of the report) into the Council's corporate property database, K2, was undertaken as a priority and was then maintained as an on-going basis by a single service (recommendation 4 refers);



- (6) That a further report be presented setting out a proposal for integrating how property related income was recognised within the accounts of the Authority and how this could be managed more effectively.

#### **163. STATEMENT OF ACCOUNTS PROCESS UPDATE**

This report provided an update on progress of the planning for the 2018-19 Closure of Accounts and production of the Cambridgeshire Council Statement of Accounts under the following headings:

- Property Valuations
- ERP Gold Statement of Accounts Production
- Data Analytics
- External Audit

In discussion issues and questions raised included:

- Paragraph 2.2.2 Page 127 an update was requested regarding the reference to the 50 adjustments required and the work to resolve the remaining £276k. In reply this had now all been reconciled.
- Paragraph 2.3.2 in respect of the number of selected samples by the external auditors referenced in the report, the Chairman asked how this compared to previous years. In reply it was explained it was higher as it related to a new finance system. On an update to the figure given in the report that 25% of the evidence documentation having been provided at the time the report had been written, this had now risen to 85%.
- In reply to a question from the Chairman on how EY the External Auditors felt the process was going, Mark Hodgson the lead was pleased with the ongoing dialogue with the Council's finance officers and comfortable with the current progress position.

The report was noted.

#### **164. TRANSFORMATION FUND MONITORING REPORT QUARTER 3 2018-19**

This report outlining progress in delivering the projects for which transformation funding had been approved at the end of the third quarter of the current financial year of which three, were still showing as red, the same as in the previous quarter. Regarding the 'Dedicated Social Work and Commissioning Capacity Learning Disability' Project this was still expected to make the projected savings and was more a matter of phasing.

Issues raised included:

- With regard to the financial RAG (Red, Amber, Green) rating, a blue

- rating shown, was as a result of the expected savings having accrued quicker than forecast. *(Note: at the Chairman's briefing it was suggested that a note to explain this should be included in future reports)*
- In reply to how many new projects beyond the 13 shown were in the pipeline, it was explained that there were 4.
- In respect of the table in 3.1 and those projects not showing savings at the current time, these would be populated in the fourth and final quarter and related to the phasing of the savings.
- In reply to a question regarding whether any projects had resulted in reductions in staffing, the officer confirmed that none of the proposals had resulted in reduced staff at the current time

it was resolved:

To note the report.

## **165. BREXIT IMPACT ASSESSMENT AND RESILIENCE PLANNING**

This report provided both an update on the preparations for Brexit since the last report presented on 24 January 2019 and included responses to questions raised at that meeting. At the time of writing the report, the UK was set to leave the European Union (EU) on 29 March 2019. By the time of the meeting, due to the deadlock in the UK Parliament over the Prime Minister's deal, an extension had been sought from the European Parliament, with the details of that exit still unknown. It was explained that officers were working on the basis of a 'no deal' worst scenario exit looking forward to the next six months.

The report highlighted:

- Work being undertaken by the Brexit Taskforce which was meeting monthly who had set up Task and Finish Action Groups to ensure delivery of agreed mitigations focussing on: workforce engagement; community and councillor engagement; hate crime mitigation and data sharing implications. The work involved 35 members of staff.
- That despite mitigation for many of the risks, the scores had not reduced, reflecting that there was no change in the level of their likelihood as the nature of the UK's exit remained unclear.
- Details of the Communications Strategy and Plan and Community Engagement Strategy focussing on: promoting the EU Settlement Scheme; targeted work with EU citizen employees and identifying Looked After Children (LAC) and other vulnerable people who were EU citizens.
- Details of the communications being undertaken internally through the monthly Members Newsletter and the Staff Weekly Newsletter.
- That priority was being given to encouraging affected members of the Council's workforce to apply for Settled Status as soon as possible.

- The work being undertaken with the Local Government Association and the Strategic Migration Partnership.
- Work being undertaken with other councils in the eastern region including sending a weekly update to the East of England Local Government Association (EELGA), who then collated the information to provide a weekly update to Government and the issues drawn to their attention.
- The work being undertaken in conjunction with the Local Resilience Forum.

In discussion other issues raised included:

- Whether the Brexit Taskforce was meeting frequently enough. In reply it was explained that this was being supplemented by the work being undertaken by the Task and Finish Groups.
- Settlement Status issues currently applied to approximately seventy 'Looked after Children'.
- Health staff colleagues, were fully involved with the health based task groups, including sharing information regarding access to the supply of drugs / medicines and the impact of fuel shortages on health. Fuel shortages were not currently seen as a significant risk.
- Schools were not presently highlighting any significant risks that only applied to them.
- Highlighting that during the current week the Government had launched its National Marketing Campaign on the Settlement Scheme.
- The Chairman suggested that he was not receiving the Staff Weekly newsletter which it was said was sent to all Members. As other Members of the Committee confirmed they were receiving theirs, he queried whether it was a result of his e-mail address not being a Council e-mail address. (*Post meeting note: Communications checked on the distribution list and were able to confirm that both the Members briefing and Staff briefing were being sent to the Chairman's personal e-mail address*)
- Asking whether Officers were confident that all EU Regulations would be transferred to UK Law in time, in the correct format. The answer was no, as this was beyond the Council's remit.
- Whether there was a default position regarding directives that no longer applied e.g. some environmental directives. Again the answer was no as it depended on the details of the exit from the EU and whether it was a 'No Deal' or Transitional Deal.
- Asking whether lobbying was taking place to remove the £30k threshold to be able to apply for 'Settled Status' as so many EU Council employees were below it. It was explained that the £30k threshold was separate from those EU citizens wishing to apply for Settled Status and that this threshold applied to Post Brexit Migration Policy, but confirming that a great deal of lobbying was being undertaken by various organisations to seek those below it being given the same employment protection rights.

- A Member raised concerns regarding the continued supply in post Brexit of gluten free food products to schools, as he understood hardly any were manufactured in the UK. It was explained that this was included as part of supplies mitigation measures being planned at a national level. Both health partners and highways agencies through the Resilience Forum were looking at the broad activity of transport issues and the supply of food to schools, and this included the supply of gluten free products. Another Member commented that formal diagnosis of people who believed that they were gluten intolerant showed only 4% tested positive as being celiac. He suggested that Public Health might need to have a role in supporting schools regarding helping establish those pupils with a diagnosed medical condition.
- There was a request for future update reports to provide details of the cost to the Council of the 30 plus staff involved in Brexit work and the impact it was having on their other areas of work and whether it could be contained in the 2018-19 Government burden funding money provided of £87,500. Currently it was not clear what further burden funding monies would be received from Central Government, and whether the current allocation would be enough to cover the costs.  
*(Post meeting note: A Government e-mail confirms the County Council will receive £175K across the two financial years 2018/19 and 2019/20 equating to £87,500 for each of the years. The same e-mail also states that they are holding back other funds to be deployed either for ports issues, resilience planning or other specific local issues as required, so there could be further funding).*
- The External Auditor, Mark Hodgson confirmed he was not aware of any areas the current Action Plan was deficient in, nor any other areas that should be included.
- In terms of the FAQs (Frequently asked Questions), on the Council website, the intention was to provide a link each time and to include new ones at the top of the document. **Action: Christine Birchall**

It was resolved:

To note the report.

#### **166. CAMBRIDGESHIRE COUNTY COUNCIL EXTERNAL AUDIT PLAN YEAR ENDED 31ST MARCH 2019**

Ernst and Young, the Council's new independent external auditors, presented their proposed audit plan in respect of the Cambridgeshire Statement of Accounts for the year ended 31<sup>st</sup> March 2019 setting out how their approach and the scope of the Audit in accordance with their statutory and Audit Code of Practice requirements. Associate Partner Mark Hodgson orally presented the Plan which:

- Summarised their initial assessment of the key risks driving the development of an effective audit for the Council and outlined their planned audit strategy in response to those risks as set out on pages 157-158 of the agenda (pages 5 and 6 of the original report).
- Explained that materiality had been set at £17.65 million, representing 1.8% of the prior year's gross expenditure on provision of services plus financing and investment expenditure. Performance materiality had been set at £8.82 million, representing 50% of materiality. The intention would be to report all uncorrected misstatements relating to the primary statements greater than £0.88 million. Other misstatements identified would be communicated to the extent that they merited the attention of the Committee.
- Provided the details around Value for Money Risks. Regarding 'Value for Money' the work was to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.
- The fees for planned work was set out in Appendix A of the report including details of those areas where further work might be required.

The timetable for completion by 31<sup>st</sup> July, was currently on track, although as referred to earlier, the issues of BDO completing their work on the objections to previous year's accounts and the 2017/18 Value for Money Conclusion did have implications for being able to complete the Value for Money opinion by this deadline. Depending on the findings reported by BDO in relation to this work, EY would need to assess the issues and risks which might lead to additional audit procedures which would have further fee implications.

Issues raised / explanations provided included:

- As 'This Land Limited' was a subsidiary of the Council, to obtain the full accounts, their accounts required to be consolidated with the Council accounts to form the Council's Group Accounts.
- Explanation regarding Property Plant and Equipment – Valuation of land and Buildings – this was carried out by looking at the values at 31<sup>st</sup> March 2018 and again at 31<sup>st</sup> March 2019 date undertaking audit work to understand the changes to the values.
- Regarding incorrect capitalisation of revenue expenditure, this was to ensure no manipulation of the accounts was being undertaken.
- Regarding ERP Gold and the possibility of information not appropriately transferred from the old financial system it was reported that seven live coded differences had been identified in the balance sheet with individual line items being up to £43m, but these had now all been resolved.
- All secondary schools had transferred to academy status. While there were still a considerable number of maintained primary schools, any further conversions during the period were unlikely to break the

materiality threshold. It was explained that was why they were assessed as being an inherent risk and not a significant risk.

- Page 179 explanation of what RSM stood for – This was another Audit Firm.

The report was noted.

**167. CAMBRIDGESHIRE PENSION FUND EXTERNAL AUDIT PLAN YEAR ENDED 31ST MARCH 2019**

This report presented Ernst & Young's Audit Plan for the Cambridgeshire Pension Fund's Statement of Accounts for the year ended 31 March 2019, setting out identified audit risks, expected materiality levels, the scope of their audit and the planned delivery of the audit process. Associate Partner Mark Hodgson again orally presented the plan.

Page 207 (page 5 of the original report) of the accompanying report identified the key risks and areas of auditor focus, and page 9 of the original report details the Auditor's planned approach to these risk areas.

Page 15 of the report appendix sets out the planned materiality levels for the audit, which were planned to be as follows:

Audit Area	Materiality
Net Assets	£2.9bn
Planning Materiality	£29.69m
Performance Materiality	£14.8m
Audit Differences	£1.4m

Page 23 of the appendix set out the proposed timeline for delivery of the audit.

Significant risks highlighted included the Pension Fund having an unusual investment in both Cambridge and Counties Bank and Cambridge Building Society.

Issues raised included:

- Page 208 Audit Risks - Pension Liability Assumptions – a query was raised regarding why the discount rate was not referenced. It was clarified that the discount rate was part of the pension liability considerations.
- Regarding concerns on the scrutiny arrangements being undertaken in respect of the investments into the Access Pool. It was explained that this was covered by two custodian reports from Kent and Essex, under the jurisdiction of the ACCESS Joint Committee. Pension Fund investments within the Poll would be subject to audit in the same way as any other investment manager. The Vice Chairman still had concerns regarding the independence of this arrangement in terms of good governance. **Action: It was agreed Tracy Pegram would**

**contact relevant officers and would clarify the Fund's responsibility to audit arrangements for ACCESS to the Vice Chairman in writing (who was also Chairman of the Pension Fund Committee and Pension Fund Investment Sub Committee).**

The report was noted.

**168. USE OF REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

This report highlighted the Council's ability to undertake directed surveillance for the purpose of a specific investigation or operation and the restrictions around its use. The use of RIPA was to ensure that any covert activity undertaken by the Council was necessary and proportionate because of the impact on an individual's right to a private life under Article 8 of the Human Rights Act. The report provided the detail of its use and the approval processes involved.

Responsibility for the oversight of RIPA previously sat with the Constitution and Ethics Committee who at its meeting of 28th February 2019 recommended that it would be best served by the Audit and Accounts Committee. This change was agreed by full Council on 19th March 2019.

The report provided the Committee with an overview of:

- RIPA and the usage of the powers.
- The results of the inspection by the Investigatory Powers Commissioner's Office (IPCO) in November 2018 (who provided independent oversight of the use of investigatory powers to assess compliance, provide guidance and assurance that the powers were being used appropriately and in line with the legislation and codes of practice).
- The draft joint policy for both Peterborough City Council and Cambridgeshire County Council had been produced as a separate appendix. The Chairman and Committee were happy to accept it but as they had only seen it at short notice due to an error at the publication stage, reserved the right to suggest changes outside of the meeting in consultation with the Director of Law and Governance and Monitoring Officer LGSS.
- Details of the one covert operation that had been carried out and the four applications made for communications data.

The Investigatory Powers Commissioner's Office ("IPCO") Inspector's report had considered each council's own policies alongside the proposed joint policy. The inspection had been very positive as detailed in section 5.5 of the report. He found that Peterborough City Council had a clearly written and robust policy alongside an easy access guide with a good reporting structure and officers with strong experience and knowledge of RIPA matters. With regard to Cambridgeshire County Council, as a result of staffing changes, the corresponding structure and knowledge was no longer present and in addition, its policy required updating. The Inspector had concluded that the

adoption of an updated joint version of the Peterborough policy and structure used across both Councils would enable the necessary rigour and oversight to be in place at both Councils. Peterborough City Council had signed off the Policy at a meeting earlier in the week.

Those areas that required improvement (detailed in paragraphs 5.6, 5.7 and 5.8) formed the basis of the report's single recommendation which was to review the draft policy based on those issues highlighted and, with the minor changes proposed, would provide a well written, meaningful and compliant policy. The proposed changes were highlighted in section 6 of the report.

In order to assist the Committee in its duties to receive information on the use of RIPA and review the policy on an annual basis, it was proposed to provide training prior to the Committee's 11 June 2019 meeting.

On the Policy document page 8 'Basic Determination of RIPA' it was suggested for added clarity that there should be a reference to adding 'no' at each stage and to state no further action would be taken.

It was resolved:

1. To note a report into the usage of RIPA powers by Cambridgeshire County Council in the last 12 months.
2. To note the outcome of the inspection of Cambridgeshire County Council by the Investigatory Powers Commissioner's Office (IPCO).
3. To agree the revised joint Peterborough and Cambridgeshire RIPA Policy.

## **169. INTEGRATED RESOURCES AND PERFORMANCE REPORT TO END OF DECEMBER 2018**

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

Issues raised:

- The Chairman still had issues with the information included with the performance indicator pie charts and would speak further to officers outside of the meeting.
- Page 254 Number of Services supported by Key Care Budgets – it was highlighted that several of the lines had text references stating that the trend had stayed the same when in fact the two sets of numbers shown for April 2018 and January 2019 had either increased or decreased. The Officer explained that the trend description summarised the overall trend, and even if there were small variations which were against the



trend, the overall trend might remain the same. When there were more data points that suggested the trend was changing compared to the April baseline, the descriptor was updated.

- The Vice-Chairman made reference to having not recently seen details on the progress in respect of the provision of new care homes to alleviate the issues of Delayed Transfers of Care (referred to as 'bed blocking'). The Acting Head of Business Intelligence indicated that there had been reports on these issues to the January Adults Committee and he would provide links to them following the meeting.

**Action: Tom Barden**

- Page 254 Public Engagement - request for an explanation on the large increases in all categories between April 2018 and January 2019. This was a result of planned activity to improve communications by moving enquiries from the previous first contact points in children's centres to the Contact Centre and had therefore been a successful exercise. One of the increasing trends was public engagement via the website.
- The Chairman and Vice-Chairman again expressed their concerns regarding the inadequacy as they saw it of the Budget planning for Looked after Children (LAC) with the Chairman making reference to having been told at the September Committee that the number of LAC were not expected to continue to increase. While it was accepted that the budget was not rising at the same rate as the additional number of children, due to reductions in the cost of placements, what was missing was trend information to help understand the position over a period of time. Officers were requested to provide information outside of the meeting of the trends over the last five years in terms of the number of looked after children, the original budget set and the actual expenditure at year end. **Action: Acting Head of Business Intelligence Tom Barden / Deputy Section 151 Officer Tom Kelly**
- In respect of obtaining a better understanding of the pressures around LACS and other social worker issues, the Democratic Services officer suggested that the Chairman might wish to visit one of his local social worker offices. This was accepted as a helpful suggestion. **Action: Democratic Services to liaise with Children's Services to arrange a visit.**
- Page 258 SEN Placements – The Chairman asked for additional information outside of the meeting regarding the increased contribution of partners which had resulted in a decrease of £0.268m on the position previously reported. **Action: Ellie Tod Group Accountant, Corporate Finance.**
- Page 260 – Paragraph 3.2.7 Commercial and Investment - with regard to why the LGSS Law dividend had not been received and would not be received for a further two years, more detail would be provided to the Chairman by the Director of Law and Governance outside of the

meeting. **Action: F Mc Millan Joint Director of Law and Governance.** It was highlighted that the Service was providing good value even without the dividend.

- Page 262 – ‘Thoughts of Others Ltd’ Debt Write Off request – The Chairman queried whether the Council should have been more aware of the financial difficulties of the company. The report explained that all payments to the provider were stopped as soon as the Council was made aware of the business failure. In addition as orally reported, measures were now in place to ensure a similar situation would not happen in the future e.g. money being paid in advance. It was reported that the young person had now been placed with a different provider.
- Page 263 Capital Programme there was a request for an explanation regarding some of the large variances with particular reference being made to the -£17,651,000 showing for C and I. In reply the majority related to housing investment and commercial investment activity not being undertaken as quickly as had been anticipated, but was expected to be progressed in due course.
- Page 266 - more information was requested outside of the meeting on the reasons regarding the need for a revised scope for Wisbech Secondary School and why this had led to the delays in the original, anticipated schedule. **Action: Ellie Tod Group Accountant Corporate Finance.**
- Page 272 Net Borrowing Graph – There was a request that as the Committee was only entitled to receive hard copy agendas in black and white and as it was difficult to distinguish in this format, a different symbol should be used to highlight the main points on the lines. **Action: Ellie Tod Group Accountant Corporate Finance to organise the change.**
- Page 273 – Proposed revision to loan to VIVA Arts and Community Group (Soham Mill) - request for additional information on the change to the loan. Originally funding had been obtained from both the Council and a private sector lender, but the Group was seeking to switch to the Council who were offering more favourable terms.
- Page 277 Appendix 2 Reserves and Provisions – County Fund balance- asking why the balance which at 31<sup>st</sup> January 2019 was showing £15,960,000 was reducing to £12,522,000 by 31<sup>st</sup> March. This was to help offset the expected budget deficit of £3.2m at year end.
- Councillor Kavanagh made reference to housing support grants being taken away, making particular reference to the proposed closure of Whitworth House asking why it was not in the report and where this was shown in the Budget? Officers would take this query away and respond in writing. **Action: Ellie Tod Group Accountant Corporate Finance.**

The report was noted.

## **170. DRAFT INTERNAL AUDIT PLAN 2019-20**

This report outlined the proposed 2019-20 Internal Audit Plan as set out at Appendix 1 to the report following its review by Strategic Management Team at its meeting on 7<sup>th</sup> March 2019.

Pie charts in 1.6.1, 1.6.2 and 1.6.3 providing a breakdown of total days by Assurance, Audit theme and Audit Plan coverage to the Corporate Risk Register.

As always the plan was flexible and would change during the year to react to new challenges which would require resources to be switched. The total number of audit days had changed from 1550 to 1750 to take account of the Chief Finance officer's request for more audit days to be spent on contract audits. (200 more in that area)

Issues raised / clarifications provided included:

- Asking that in times of organisation volatility how did the Council assess if newly employed officers received full appropriate training in terms of knowing where to access policies on Camweb e.g. Whistleblowing Policy, Health and Safety, Training etc? In reply Internal Audit explained that they had no planned reviews of the induction process itself but did conduct reviews of key policies and procedures. These reviews would check whether key policies were covered as part of the induction process and the officer compliance and make recommendations to improve awareness if required.
- Page 285 'Anti-Fraud and Corruption' reading "..... the assurance block includes an allocation of days for pro-active fraud strategy work" an explanation was requested on what this work involved. This included:
  - Using intelligence and good practice from other fraud organisations (e.g. Anti-Fraud Network) to ensure work was undertaken to check controls were in place in areas where known frauds had been detected by other anti-fraud bodies.
  - Using such intelligence to look to detect fraud rather than just reacting to it from referrals etc. One way of reducing fraud when discussing invoice fraud was to emphasis the requirement not to issue retrospective orders.
- The pie charts on 286-288 did not indicate the changes in allocations from the previous year which would have been a useful addition e.g. included in brackets.
- Page 293 - Contract Management Policy and Guidance – this was in relation to ensuring the policy was in place. An update on Procurement

Compliance and EU Procurement Regulations would be provided in the Internal Audit Progress Report to the July meeting.

- Some of the specific audits were not auditing outcomes but checking the monitoring arrangements / procedures, compliance with legislation etc. e.g. In respect of fire safety checks internal Audit would audit the governance arrangements in place to ensure that buildings the Council was responsible for had up to date fire safety certificates.
- Page 299 querying the allocation of days for the Information Technology Audit Plan and whether this allocation was too high. The Chief Internal Auditor responded that good governance and the audit of the control of IT systems was essential.
- Whether any days had so far been taken out of the Plan as a result of other pressures. Reply: no.
- With an increase of 200 audit days a question was raised on whether there were the staff resources available to achieve this. The response was yes, as additional staffing resources had been agreed, including the funding of a principal auditor post. A member of the Committee asked where the money had come from to fund this post and who had agreed it, requesting that the information be provided in writing outside of the meeting. **Action: Chief Internal Auditor to liaise with the Chief Finance Officer and provide this information to Cllr Bates and copy in the rest of Committee.**

It was resolved:

To approve the allocations as set out in the proposed 2019-20 Audit Plan.

## **171. COMMUNITY TRANSPORT ACTION PLAN UPDATE**

This report provided the Committee with an update on progress with the Community Transport Action Plan (included at Appendix 1) since the previous update at the January Committee. Of the 11 actions which had not been completed at the time of the previous meeting:

- 2 were ongoing actions, with no expected end date (18%)
- 4 actions had now been marked as completed (36%)
- 5 remained in progress (45%)

The report included within it the 'External Officer Review of (FOI) Freedom of Information Requests' report undertaken by the Data Protection Officer at Peterborough City Council with the full report included at Appendix 2 and the Action Plan to address issues provided as Appendix 3. Action Plan updates would be included as part of future Community Transport Plan update reports.

Questions raised included:

- Whether actions had been taken by departments to ensure the relevant people involved on the contracts side were following the rules? It was

explained that actions around services, contract procedures and grants would be part of the update reports to the Committee.

- With reference to 'Review of Public Funding' paragraph 3.2 page 305 and the text on the PKF report reading "This report had now been finalised and shared with senior management and the Chairman and Vice Chairman of the Audit and Accounts Committee. Negotiations with F(ACT) and H(ACT) regarding the repayment of excess funding have now commenced" Councillor McGuire requested that the whole Committee should now see the report. The Chief Internal Auditor explained that the negotiations were ongoing, making reference to the delegation agreed at the last meeting that details of the negotiations should remain confidential. Any agreed settlement would be reported back to the Committee.
- With reference to Action Log Item 30 – 'Any money to be reclaimed in respect of state aid or otherwise' and the note text reading "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 being discussed by senior management at a meeting on 15<sup>th</sup> January" the Vice Chairman indicated that he had not seen any supporting analysis. Internal Audit undertook to look into this and responds to him outside of the meeting.

**Action M Claydon**

It was resolved:

To note the progress with the Action Plan.

## **172. INTERNAL AUDIT PROGRESS REPORT**

The Internal Audit progress report details of the main areas of audit coverage for the period 1<sup>st</sup> January to 28<sup>th</sup> February and the key control issues that had arisen.

Table 1 in Section 1 titled 'Finalised Assignments' set out the completed audit assignments with table 2 the audit assignments that had reached draft stage. Further to a query regarding the text in 1.2 second sentences reading "This excludes individual schools audits which are reported collectively once all reviews had been finalised" this had been included in error and should have been deleted.

Section 2 listed brief details of Current Internal Audit fraud and corruption investigations.

Section 3 set out the implementation of management actions with table 4 summarising those outstanding.

Section 4 - the summaries of completed audits with satisfactory or less assurance – one report on Accuracy of Account Coding on the Financial Ledger – limited assurance provided with details of the agreed actions to address the risks around incorrect use of account codes.

Section 5 'Other Audit Activity' updated the Committee on:

- the delivery of the Audit Plan.
- progress on the development of the new Project Assurance Framework.
- progress on the key financial systems reviews for which the one on the administration of the Pension Fund had been completed and a substantial assurance award given.
- The review undertaken on how price and quality were considered when the Council evaluated tenders and the subsequent financial impact of the considerations. The audit report had provided good assurance but had identified some recommended actions to further strengthen the Council's control environment. Internal Audit had also provided recommendations to the updated review of Contract Procedure Rules.

Annex A on pages 377 to 380 detailed the summary of progress against the 2018-19 Audit Plan.

Annex B on pages 381-387 set out the detail of the outstanding recommendations. The Chairman asked if ERP Gold had contributed to any of them. Yes ERP Gold had contributed to a number of the delays, however ERP Gold could not be seen as the sole cause of any delays.

It was resolved:

To note the report.

#### **173. FORWARD AGENDA PLAN**

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


Due to the size of the current agenda there was a request that officers should consider whether there should be additional committee meetings scheduled in the year. **Action: Internal Audit / Democratic Services**

#### **174. CHANGE OF DATE FOR THE JULY MEETING**

Agreed to move the date of the July meeting from the 30<sup>th</sup> July and moving it back to the 29<sup>th</sup> July.

#### **175. DATE OF NEXT MEETING 28<sup>TH</sup> MAY 2019**

**CHAIRMAN**  
**28<sup>TH</sup> May 2019**

			AGENDA ITEM: 4		
AUDIT AND ACCOUNTS COMMITTEE		Minutes-Action Log			Cambridgeshire County Council
<b>Introduction:</b>  This log captures the actions arising from the Audit and Accounts Committee on 26th March 2019 and updates members on the progress on compliance in delivering the necessary actions (outstanding actions from previous meetings are also included). This is the updated action log as at 17th May 2019.					
Minutes of 26th March 2019					
ITEM NO.	MINUTE NUMBER AND ITEM	ACTION TO BE TAKEN BY	ACTION	COMMENTS	COMPLETED
1.	MINUTE 157. – MINUTES MATTERS ARISING GEOGRAPHICAL ELIGIBILITY TO COMMUNITY TRANSPORT	M Claydon / C May	Internal Audit to liaise with Assistant Director Cultural and Community Services on the progress regarding a CT provider for the north part of South Cambridgeshire.	A response was sent to the Committee on 7 <sup>th</sup> May. A copy is included as Appendix 1 to this log.	YES
2.	MINUTE 158 MINUTES ACTION LOG  a) SECTION 106 UPDATE	Ellie Tod	Officer to check and confirm whether officers would be contacting contractors regarding any Section 106 amounts outstanding at the end of the year and the use to be made of them.	Included in 'Update on Expired Section 106 Receipts (Developer Contributions) report – agenda item 10 Agenda report	YES
3.	MINUTE 158 MINUTES ACTION LOG  b) SECTION 106 REPORT	T Kelly	There was a request for an update position report on unspent contributions to be presented to the May meeting	Included in 'Update on Expired Section 106 Receipts (Developer Contributions) report – agenda item 10 Agenda report	YES

4.	<b>MINUTE 158 MINUTES ACTION LOG</b>  <b>LEVEL OF OUTSTANDING DEBT</b>	T Kelly	Deputy Section 151 Officer to arrange meeting between Chairman and the new Head of Debt and Income.	The Chairman confirmed this meeting had taken place.	<b>YES</b>
5.	<b>MINUTE 160 – CHILDREN’S SOCIAL CARE CASELOADS QUARTERLY UPDATE</b>	Sarah-Jane Smedmor	Assistant Director Children and Safeguarding providing the Chairman with: <ul style="list-style-type: none"> <li>• details of the length of service distribution between the North and the South Teams</li> <li>• Details of the number of part time workers employed in the teams</li> <li>• Details of the number of apprenticeships.</li> </ul>	A full response from the Assistant Director Children and Safeguarding forwarded by Democratic Services in an e-mail to the Chairman dated 8 <sup>th</sup> April.	<b>YES</b>
6.	<b>MINUTE 162 - ESTATES AND BUILDING MAINTENANCE INSPECTIONS</b>	John MacMillan	a) Provide monthly updates to the Chairman on the intention to have a full leases record within three months.		<b>ONGOING</b>
		John MacMillan	b) A report in twelve months as a year on update on the 5 year rolling inspections property assets which would also now include schools	To be programmed for March 2020	<b>ONGOING</b>
		John MacMillan	c) a further report be presented setting out a proposal for integrating how property related income was recognised within the accounts of the Authority and how this could be managed more effectively.	Commercial and Investment Committee have now as the appropriate Committee taken on the responsibility for future update reports while thanking Audit and Accounts Committee for their involvement in helping move matters forward. Councillor Hudson who had originally initiated the request endorses this approach.	<b>NO FURTHER ACTION</b>



7.	<b>MINUTE 165 - BREXIT IMPACT ASSESSMENT AND RESILIENCE PLANNING</b>	<b>Christine Birchall</b>	In terms of the FAQs (Frequently asked Questions), on the Council website, the intention was to provide a link each time and to include new ones at the top of the document.	This is the format as set out on the website.	<b>YES</b>
8.	<b>MINUTE 167. CAMBRIDGESHIRE PENSION FUND EXTERNAL AUDIT PLAN YEAR ENDED 31ST MARCH 2019</b>	<b>Tracy Pegram</b>	The officer would contact relevant officers and would clarify the Fund's responsibility to audit arrangements for ACCESS to the Vice Chairman in writing	The Vice Chairman received an e-mail response on 15 <sup>th</sup> April included as Appendix 2 to this action log.  The Vice Chairman responded the same day thanking her for the comprehensive response and informing her he was now "much reassured".	<b>YES</b>
9.	<b>MINUTE 169. INTEGRATED RESOURCES AND PERFORMANCE REPORT TO END OF DECEMBER 2018</b>  a) Provision of new care homes	<b>Tom Barden</b>	In response to a query the Acting Head of Business Intelligence undertook to provide a link to the January Adults Committee progress in respect of the provision of new care homes to alleviate the issues of Delayed Transfers of Care (referred to as 'bed blocking').	The links to the reports were provided to the Committee in an e-mail dated 11 <sup>th</sup> April 2019.	<b>COMPLETED</b>
	b) Looked After Children (LAC) Trends	<b>Tom Barden / Tom Kelly</b>	Officers were requested to provide information outside of the meeting of the trends over the last five years in terms of the number of looked after children, the original budget set and the actual expenditure at year end.	This information was provided in an email from Tom Kelly to the Chairman and Vice Chairman dated 17 <sup>th</sup> May.	<b>YES</b>
	c) Visit to Local Social Work Office	<b>Sarah-Jane Smedmor</b>	In respect of obtaining a better understanding of the pressures around LACS and other social worker issues it was agreed that officers would arrange for the Chairman to visit one of the his local social worker offices.	Democratic Services contacted Lou Williams who has asked Sarah-Jane Smedmor to make the necessary arrangements.  Cllr Shellens was booked to visit Butts Grove on Tuesday, 7 <sup>th</sup> May.	<b>YES</b>

	<b>d) SEN Placements</b>	<b>Ellie Tod Group Accountant Corporate Finance.</b>	The Chairman asked for additional information outside of the meeting regarding the increased contribution of partners which had resulted in a decrease of £0.268m on the position previously reported.	A review was undertaken with Health regarding the cost split between Education, Health and Social Care of various Independent School Placements to ensure the split was accurate. The outcome of the review was a net increase in Health's contribution towards the overall cost of these placements, thereby reducing CCC's costs.	<b>YES</b>
	<b>e) LGSS Law Dividends</b>	<b>Fiona McMillan</b>	With regard to why the LGSS Law dividend had not been received and would not be received for a further two years, more detail would be provided to the Chairman by the Director of Law and Governance outside of the meeting.		
	<b>f) Wisbech Secondary School</b>	<b>Ellie Tod Group Accountant Corporate Finance.</b>	More information was requested outside of the meeting on the reasons regarding the need for a revised scope for Wisbech Secondary School and why this had led to the delays in the original, anticipated schedule.	<p>The original intention for the Wisbech Secondary School scheme was to future proof the design by building an 8 Forms of Entry (FE) core for the 4FE school so the additional 4FE could be added on at a later date. This is common practice where we are confident that the additional places will be required in the short to medium term, as although it costs more initially, the overall build costs are reduced.</p> <p>The Education Capital Strategy Manager at the time subsequently instructed the team to change the brief to a 4FE core as updated information suggested that the additional places would not be needed in the short to medium term and there is</p>	<b>YES</b>

				<p>continuous challenge in place regarding reducing costs. The adjoining land will still allow for an additional 4FE secondary expansion and a primary school as and when these are required in the medium to long term. Therefore, this change in scope led to a change in the secondary school design.</p> <p>However, the text in the IRPR is actually slightly misleading as in reality the change in scope actually only led to minimal delays – the greater impact on delay was actually caused by trying to agree the scope of the highways works in order to submit the planning application.</p>	
	<b>g) Page 272 Net Borrowing Graph</b>	<b>Ellie Tod</b>	As the Committee was only entitled to receive hard copy agendas in black and white a different symbol should be used to highlight the main points on the lines for future reports.	The formatting has been amended in the IRPR in the 18-19 outturn report and this amended formatting will continue to be used going forward.	<b>YES</b>

	<b>h) Whitworth House</b>	<b>Ellie Tod</b>	<p>Councillor Kavanagh made reference to housing support grants being taken away, making particular reference to the proposed closure of Whitworth House asking why it was not in the report and where this was shown in the Budget? Officers would take this query away and respond in writing.</p>	<p>This relates to the Housing Related Support Review – an 18/19 business plan saving of £1m (A/R.6.174 ‘review of supported housing commissioning’), with a £900k shortfall first reported in 18/19 in the December IRPR. The IRPR doesn’t go into policy line detail, however the overspend was reported in the Commissioning Directorate budget, Policy Line ‘Central Commissioning – Adults’ (policy line showing net pressure of £333k in December, less than the full £900k due to other service underspends offsetting this). The service at Whitworth House is a Housing Related Support service and is therefore in scope of this reconfiguration programme.</p> <p>A further update on this review is going to both CYP and Adult Committees on 21 and 22 May. Members will be asked to make a decision on the approach and savings proposals for the HRS review. A Board is overseeing this programme, chaired by the Director for Communities and Safety.</p>	
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10.	<b>MINUTE 170. DRAFT INTERNAL AUDIT PLAN 2019-20</b>  <b>Principal Auditor Post</b>	Chief Internal Auditor / Chief Finance Officer	Councillor Bates asked where the money had come from to fund this additional post and who had agreed it, requesting that the information be provided to him in writing outside of the meeting to be copied in to the rest of the Committee.	A response was sent by the Chief Internal Auditor on 2 <sup>nd</sup> May explaining that the post had been financed as a spend to save proposal where the post will specifically seek to identify financial improvements within contracts that will at least cover its costs. Should no or insufficient savings be identified the post will be deleted after 2 years. Its success (or otherwise) will be reported to A&A Committee as part of the Internal Audit reporting cycle.	
11.	<b>MINUTE 171 COMMUNITY TRANSPORT ACTION PLAN –</b>  Action Log Item 30 – ‘Any money to be reclaimed in respect of state aid or otherwise’	<b>Mairead Claydon</b>	Regarding the note text reading “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 being discussed by senior management at a meeting on 15 <sup>th</sup> January” the Vice Chairman indicated that he had not seen any supporting analysis. Internal Audit undertook to look into this and respond to him outside of the meeting.	In the absence of the officer on leave the Vice Chairman to confirm if he received the information.	
12.	<b>MINUTE 173 – FORWARD AGENDA PLAN</b>	<b>Internal Audit / Democratic Services</b>	Due to the size of the current agenda there was a request that officers should consider whether there should be additional committee meetings scheduled in the year.	Meeting to be arranged by Internal Audit.	

#### PREVIOUS MEETINGS

## Minutes of 24th January 2019

Item No.	Minute Number and Item	Action to be taken by	Action	Comments	Completed
13.	Minute 145 Minutes Action Log (Page 35 – Minute 138 Internal Audit Progress Report	M Claydon	Item a) Systems assurance for ERP Gold – an oral update indicated that this would be reported back as part of the May (Annual) Internal Audit Report.	A full update is expected to be able to be provided at the May meeting.	YES
14.	Minute 147. Statement of Accounts Progress Update	J Lee/ R Sanderson	A 30 minute training seminar on a demonstration of the ERP gold accounts production tool in advance of the next meeting.	The training is due to be undertaken before the current meeting.	ONGOING
15.	Minute 148 Level of Outstanding Debt	Head of Debt and Income	CCC had the highest percentage of credit notes at 13% compared to an average of 6%. There was a request in the next report back on providing more detail for the current high figure.  Request that the Head of Debt and Income to e-mail the Committee on the position on outstanding debt when the mid-April position was known.	This was to be included in a report originally scheduled for the May meeting. But now re-scheduled to the June meeting.	YES

## Minutes of 22nd November 2018

Item No.	Minute Number and Item	Action to be taken by	Action	Comments	Completed
16.	<b>Minute 132.Community Transport Action Plan</b>	M Claydon	PKF Report to come forward to January Meeting	This had been scheduled to be reported as part of the Community Transport Update Report to the May meeting.  An update position is provided in the current report.	On going
17.	<b>Minute 133 Use of Consultants</b>	M Claydon	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)	Any final report back to Committee would depend on the time taken to conduct the review. As an update at the January Committee meeting Internal Audit confirmed this was now unlikely to be until either July or September at the earliest.	On going

## Minutes of 30th July 2018

Item No.	Minute and Item Number	Action to be taken by	Action	Comments	Completed
18.	<b>Minute 102 Safer Recruitment in Schools Update</b>	R Sanderson / C Meddle	Officers indicated that an update on the gaps in provision should be presented to the Committee around Easter 2019.	Added to May 2019 agenda for the substantive update.	Yes
19.	<b>Minute 108 Audit Completion Report (ISA 260) Draft for the year ended 31st March 2018</b>	R Sanderson/ L Clampin	It was confirmed that BDO were not in a position to report to the January Committee.	External Audit updated Democratic Services on 29 <sup>th</sup> April that there were 3 investigations are still ongoing.	Ongoing

Item No.	Item	Action to be taken by	Action	Comments	Completed
	<b>Ely Southern Bypass Project Bypass Project</b>	D Wilkinson / M Claydon	Economy and Environment Committee at its meeting on 12 <sup>th</sup> April 2018 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.	The revised timescale is for the report to come forward to the May Committee meeting.	It was not available at the time of the first despatch

## COMMUNITY TRANSPORT - SOUTH CAMBRIDGESHIRE

## APPENDIX 1

Dear Audit and Accounts Committee

One of the actions from the March Audit and Accounts Committee was in relation to a request from Councillor John Williams who wished to ensure that the lessons learnt with FACT and best practice were shared with colleagues in South Cambridgeshire who fund three community transport providers, (namely a) Royston & District Transport - providing transport in the south/west of the District), b) The Voluntary Network -providing transport in the east of the District adjacent to West Suffolk) and c) the Care Network - which provides a community development officer to support nearly all the community car schemes in the District).

This followed on from the officer presenting the report on FACT at an earlier meeting not being fully aware of all the District funded services currently provided. In response to a request for further clarification regarding setting up a community transport scheme in the north of the District, Councillor Williams explained to the relevant County Council officers that the South Cambridgeshire District Council Business Plan has a target of setting up this as an additional service, as the north of South Cambridgeshire district currently has no such service.

Officers have noted the above Community Transport provision funded by South Cambridgeshire District Council (SCDC) and confirm that they will make contact with colleagues at SCDC to offer to share the learning from the County Council's CT Audit work and the best practice arising from it.



Kind regards

Rob Sanderson

Democratic Services Officer

Telephone 01223 699181

Email: [Rob.Sanderson@cambridgeshire.gov.uk](mailto:Rob.Sanderson@cambridgeshire.gov.uk)



**SAFER RECRUITMENT IN SCHOOLS UPDATE**

*To:* **Audit and Accounts Committee**

*Date:* **28<sup>th</sup> May 2019**

*From:* **Senior Leadership Adviser**

*Electoral Division(s):* **All**

*Purpose:* **Safer Recruitment Update**

*Key Issues:* To update the Committee on the Schools Intervention Service monitoring of the Leadership of Safeguarding including safer recruitment in maintained schools

**Recommendation:** The Committee is asked to note and comment on the information provided in this update report.

<b><i>Officer contact:</i></b>	
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**1. BACKGROUND**

- 1.1 Safer recruitment is a statutory safeguarding requirement for schools. Expectations are outlined in Keeping Children Safe in Education 2018. a document updated by the Department for Education in September 2018. Keeping Children Safe in Education has 4 sections with section 3 giving schools extensive guidance on safer recruitment.

**2. MAIN ISSUES**

- 2.1 **The Committee requires assurances that Cambridgeshire maintained schools are compliant with statutory safer recruitment procedures and the wider leadership of safeguarding.**
- 2.2 **The Education Directorate carries out regular safeguarding reviews in schools, which include a major focus on safer recruitment.**
- 2.3 **To facilitate this the Education Directorate Safeguarding and Safer Recruitment Report is now presented bi-annually to the Audit and Accounts Committee.**

### **3. EDUCATION ADVISER SAFEGUARDING REPORT**

#### **3.1 Safeguarding Reviews rolling programme**

The two Leadership Advisers maintain a programme of Safeguarding Review visits to maintained schools. A rolling programme monitoring list is maintained and schools are prioritised according to the following risks:

Inspection risk  
New head risk  
Training risk

The list tracks the last three years and projects into the year.

The safeguarding review tool has been extensively updated following the publication of Keeping Children Safe in Education 2018 last September. The content has been updated and matched to other resources available from Local Authority teams as well as the audit teams previous audit tool. Lessons learnt from the Office for Standards in Education, Children's Services and Skills (OFSTED) inspection have also informed the document.

Maintained schools have also received an updated template to enable them to maintain a comprehensive Single Central Register in which they record the details of their safer recruitment procedures. The register covers statutory requirements as well as having non-statutory sections which allow schools to record aspects of their wider safeguarding culture.

The review covers the following areas related to safeguarding:

Safeguarding policies and website compliance  
Monitoring of vulnerable groups  
Health and safety  
Safer recruitment  
Complaints and allegations  
Wider safeguarding culture  
Critical Incidents.

A Leadership Review Toolkit has been published for maintained schools. That toolkit includes a dedicated section on safeguarding. Safeguarding trickles through the other parts of the toolkit.

#### **3.2 Academies**

Academies and multi-academy trusts who purchase the Leadership Adviser offer can have a free safeguarding review and some other academies purchase reviews on a pay as you go basis.

The Leadership Advisers have a contract with a major Multi-Academy Trust to deliver their safeguarding reviews and some of their safeguarding training.

### **3.3 Training, support and monitoring**

Maintained nurseries, primary schools, academies and special schools are independently governed and managed and are free to purchase their training support from a range of providers including the Local Authority (LA). For example, Safer Recruitment training is offered by the LA Governor Services Team, the National Society for the Prevention of Cruelty to Children (NSPCC) who provide online training and private providers including accredited trainers and private companies. The LA Child Protection Service provides a wide range of Child Protection related courses to nearly all maintained schools, academies and independent schools in Cambridgeshire.

#### **The Leadership of Safeguarding**

These training modules have been repeated again this year on a traded basis and are delivered by the two Leadership Advisers. It has been targeted at schools who did not attend last year. The whole programme has also been delivered to one large multi-academy trust.

Overview

Wider safeguarding culture

Safer recruitment

Complaints and allegations

Monitoring of vulnerable groups

Health and safety and contractor control

Safeguarding policies and website compliance

Critical Incidents

#### **New Heads Induction**

The New Heads Induction Training delivered by the Schools Intervention Service has a module on safeguarding.

#### **Safer Recruitment Training**

It remains a statutory requirement for all appointment panels in schools to have a safer recruitment trained person on the panel

The Governor Services team continues to offer well attended Safer Recruitment Training across the county. Both refresher and full training is offered. Schools are free to access their training from a range of sources.

Diane Stygal our Leadership Adviser is now a nationally accredited safer recruitment trainer.

We have also delivered training to two multi-academy trusts this year as well as one large independent school on a traded basis.

1:1 support is also provided on the phone, by e-mail and in school when requested.

Governor training also covers safer recruitment as part of the wider leadership of safeguarding agenda and two sessions have been delivered this year titled "Creating a Safeguarding Culture". This training emphasises the governor's role in ensuring that safer recruitment and safeguarding is a strength of the school.

The Education Safeguarding team annual Governors Monitoring report includes a section on safer recruitment as does the Governors Annual Monitoring report.

Training and monitoring data will be included in the next report to the committee.

### **3.4 Outcomes**

None of the schools inspected in this academic year have had inadequate judgements for safer recruitment.

OFSTED judgements from two published reports are copied below:

#### **School 1 April 2019**

The arrangements for safeguarding are fit for purpose. School **leaders and governors have ensured that the school is a safe place** for pupils and staff.

**Staff are well trained** and regularly updated with the most recent guidance. They are vigilant for signs that a pupil may be at risk of harm and act swiftly and appropriately when concerns arise.

Records regarding vulnerable pupils are well kept. Leaders work closely with external agencies to ensure that vulnerable pupils swiftly receive the support they need.

**Pupils told inspectors that they feel safe at school** and are taught how to stay safe when not at school. The overwhelming majority of parents who responded to Ofsted's online questionnaire or contacted Ofsted during the inspection agreed that their children feel safe at this school.

**Leaders ensure that all required checks are carried out on adults working at the school. Governors and local authority representatives check these records carefully** to ensure that leaders and staff carry out their duties effectively.

## School 2 February 2019

The arrangements for safeguarding are effective.

There is **secure practice** in the school, with clear procedures which are safeguarding pupils.

The leaders and key staff are tenacious in their approach to supporting the children. They ensure that their concerns are followed up quickly, so that advice and intervention are in place. In this way, leaders ensure that the most vulnerable pupils are kept safe.

**Training for staff is up to date** and thorough. All latest **government guidance is used** to ensure that staff are kept abreast of new requirements for safeguarding. This is done through annual training and also in weekly meetings.

The **safeguarding governor visits school regularly to check safeguarding procedures and records, such as the single central record for the safe recruitment of staff.**

Governors are appropriately trained in safeguarding, including the 'Prevent' duty.

### 3.5 The Knowledge Hub

This web based resource is freely available to maintained schools and academies in Cambridgeshire. It is also available nationally.

The group has an extensive safer recruitment library for schools to download from and Wikki pages on key safeguarding themes including safer recruitment.

There are a total of 253 members of the Knowledge Hub page which has increased from 190 at the time of the last report.

Background Papers: None





**WHISTLEBLOWING POLICY ANNUAL REPORT**

*To:* **Audit & Accounts Committee**

*Date:* **28<sup>th</sup> May 2019**

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

*Electoral division(s):* **All**

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

*Purpose:* **Annual report on the Council's Whistleblowing Policy.**

*Recommendation:* **Audit and Accounts Committee note the report.**

<b><i>Officer contact:</i></b>	
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Tel:	01908 252089

## **1. BACKGROUND**

- 1.1 Internal Audit produces an annual report to the Audit and Accounts Committee as per Section 8 of the Whistleblowing Policy, to identify any patterns of concern and assess the effectiveness of the policy.

## **2. UPDATES**

- 2.1 Cambridgeshire County Council's Whistleblowing Policy and Managers Guidance was revised and updated in 2019 (see Annex A).

Updates included:

- Updated key officer contact information
- A range of minor corrections/improvements, including the re-ordering of paragraphs in Section 5 and clarification around the purpose of Contractors
- The introduction of a clear process for whistleblowers to raise complaints regarding the conduct of the investigation into their concerns, and ensuring that such complaints are reported to the Chief Executive
- Introducing the requirement to give an initial acknowledgement of receipt of a concern within two days.

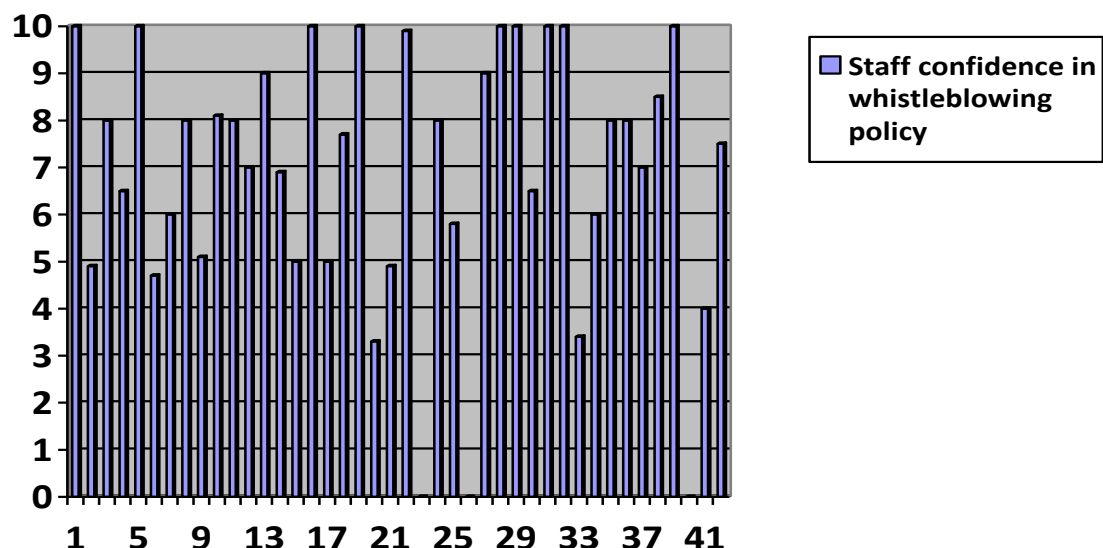
## **3. PUBLICITY AND AWARENESS**

- 3.1 Following the approval of the Whistleblowing Policy by the Audit and Accounts Committee, the revised policy was immediately made available to staff via the Council's intranet, and to members of the public via the Council's public website.
- 3.2 The Internal Audit team also conducted a publicity campaign to promote the policy and awareness of whistleblowing processes throughout the organisation which included a revised poster campaign across the Council's buildings.
- 3.3 The Local Authority's whistleblowing poster for schools was also updated, and a letter was sent to all maintained schools in February 2019, requiring them to display the posters.
- 3.4 Internal Audit has also worked with the Communications team to raise awareness via the 'Daily Blog' on the Council's intranet and in the Friday Focus newsletter, with a post explaining how to raise concerns.

#### 4. STAFF SURVEY

- 4.1 In line with the revised policy, a staff survey was conducted in February 2019, to gauge staff awareness of the policy.
- 4.2 One hundred randomly-selected members of staff were asked to complete an online survey, and 43 responses were received.

Results	
<b>93%</b> of staff were aware of the Whistleblowing Policy	<b>91%</b> of staff confirmed that they would feel confident in raising a serious concern either with their line manager, another senior member of staff, or via the Whistleblowing Policy



- 4.3 Five members of staff indicated that they had considered using the whistleblowing process in the last 12 months. In one instance this appeared to relate to an issue where the individual had previously raised a concern through the whistleblowing policy and they felt that it had not been taken seriously or dealt with properly. The second individual indicated that the reason that they had not made a referral was due to a concern that they would not be believed. In the third instance the individual was not confident of the support from Senior Managers. The fourth individual had concerns around security of their job if they had used the whistleblowing process. The last individual felt that because they knew the person they would feel like they had betrayed them.

- 4.4 As the survey is completely anonymous and due to the concerns raised by the five individuals, Internal Audit sent an email to the selected staff reminding that as per the policy, they can always contact Internal Audit or HR in confidence if they have any whistleblowing concerns that they feel unable to discuss with their line manager. All individuals contacted about completing the survey were provided with information about the new policy and how to make a whistleblowing referral. The responses received from the whistleblowing survey is not a cause for concern.

## **5. WHISTLEBLOWING CASES 2018/19**

- 5.1 In line with the policy, Internal Audit was advised on 19 cases that had been raised under the whistleblowing process in the last 12 months.

<b>Whistleblowing Cases</b>	<b>Outcome</b>
11	Dealt with by Internal Audit
2	Referred to HR
2	Referred to the Police
1	Referred to Section 151 Officer
3	Referred to Counter Fraud Team

As a result of the publicity campaign that Internal Audit has undertaken we have seen an increase in the number of whistleblowing cases during 2018/19 compared to the previous report.

## **6. WHISTLEBLOWING POLICY**

- 6.1 A copy of the Whistleblowing Policy is provided at Annex A, for reference.

<b>Source Documents</b>	<b>Location</b>
Whistleblowing Policy	Box OCT1108 Shire Hall Castle Hill Cambridge, CB3 0AP



## WHISTLEBLOWING POLICY

Policy Owner	
Name:	Duncan Wilkinson
Post:	LGSS Chief Internal Auditor
Email:	<a href="mailto:Duncan.Wilkinson@Milton-keynes.gov.uk">Duncan.Wilkinson@Milton-keynes.gov.uk</a>
Tel:	01908 252089

**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](mailto:Duncan.Wilkinson@milton-keynes.gov.uk)
- Sue Grace (Director of Corporate and Customer Services) – 01223 715680
- 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 729051

Or

The Whistleblowing hotline on 01908 252525

Or

Public Concern At Work on 0207 404 6609 or [helpline@pcaw.co.uk](mailto: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](mailto: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](mailto: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](mailto: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.



**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.



**COMMUNITY TRANSPORT ACTION PLAN - UPDATE**

*To:* **Audit & Accounts Committee**

*Meeting Date:* **28<sup>th</sup> May 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 28<sup>th</sup> March 2019.**

**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.**

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
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## **1. BACKGROUND**

- 1.1 There was a major review of Community Transport in Cambridgeshire, culminating in the public meeting on July 31<sup>st</sup> 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 Committee 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 28<sup>th</sup> March 2019.

## **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 March meeting of the Committee, of the 66 actions in the full Action Plan, 55 (83%) were marked as complete, with evidence provided.
- 2.3 Of the 7 actions which had not been completed at the time of the previous meeting:
  - 2 are ongoing actions, with no expected end date (29%)
  - 1 action has been marked as completed (14%)
  - 4 remain in progress (57%)
- 2.4 At the March meeting of the Committee, a report on the review of Freedom of Information Requests by the Data Protection Officer from Peterborough City Council was also presented. This report included a further 7 agreed actions, which have been appended to the Action Plan as actions 80 – 86. Of these actions:
  - 6 actions have now been marked as completed (86%)
  - 1 remains in progress (14%)
- 2.5 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 PKF Report on Public Funding:**

PKF were commissioned to provide an independent estimate of the extent to which public funding subsidised the growth of the FH&E 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. On the basis of the findings of this report, which was shared with senior

management and the Chairman and Vice Chairman of the Audit & Accounts Committee, negotiations with F&HE regarding the repayment of excess funding have now commenced.

It had previously been anticipated that this report could be shared in full with the Audit & Accounts Committee at the current meeting. However, negotiations with FH&E regarding the reclamation of public funding have progressed more slowly than expected. Negotiations are being led by the Council's Deputy Chief Executive and the Executive Director of Place and Economy, with the Chairman of Audit & Accounts Committee in attendance for the most recent meeting at the start of May. It is felt to be too early to share this report with Committee in the public domain, as this may undermine the ongoing negotiations at this stage.

### 3.2 Grants to External Organisations Compliance:

The Council is required to comply with the Local Government Transparency Code 2015 requirement to publish details of all grants to voluntary, community and social enterprise organisations. Grants paid by the Council must also be compliant with CCC Finance Regulations regarding authorisation levels and European Union (EU) State Aid requirements, and the Grants to External Organisations Policy, a new policy which came into effect in July 2018 following the Community Transport Investigation. In conjunction with this, the Chief Executive requested that Internal Audit undertake a review of grants to external organisations to check compliance with the new policy.

Internal Audit gave limited assurance over the control environment in relation to grants to external organisations, due to a range of issues that meant the Council was not compliant with the requirements of the Local Government Transparency Code. The Council did not maintain a separate grants register, and issues with inaccurate coding on the financial systems (highlighted and addressed by a previous Internal Audit review, which was reported to Committee in March 2019) meant that published financial information did not provide the required information about grants either. It was not possible to obtain lists of grants from the Council's Directorates.

Satisfactory assurance was provided over compliance with the Grants to External Organisations policy, with five of eight grants reviewed found to be compliant; two partially compliant; and one non-compliant.

A range of recommendations were made to address the findings of the review and these have been implemented at the time of writing. The Grants to External Organisations Policy has been updated to reflect a new process by which services will record grant awards. Finance and the Information Governance Team have worked together with Directors to produce a current Grants Register, and an internet form has also been developed by Information Governance to allow easy notification of grant awards so that the register can be updated on an ongoing basis. This has been launched to staff on the Council's intranet. All other actions, including a review of financial coding and actions to address the grants identified as non-compliant with policy, have also been completed at the time of writing.

A copy of the full report is provided as Appendix 2.

### 3.3 Social & Education Transport Contract Management:

The Internal Audit team undertook a review of contract management processes within the Social & Education Transport Team (SETT), focusing on the areas of highest risk which had been identified by a previous interim audit report linked to the PKF Community Transport investigation. This review covered arrangements for procurement, contract management including supplier performance monitoring and payment, and business continuity. Areas that were not covered included driver/passenger awareness training, the production of bus passes and DBS badges, and the Total Transport project.

Overall, the team had made progress with their recording and filing systems since the interim report. Internal Audit was able to provide satisfactory assurance over the control environment meaning that some control weaknesses exist which present a medium risk, and satisfactory assurance is over compliance, meaning that some issues were found which should have been prevented or mitigated against.

The key issues identified were that although the team undertakes checks on suppliers to ensure they comply with contract terms and conditions, in practice the process does not ensure annual monitoring of all suppliers, and there is no process to re-check suppliers who have failed a check within a reasonable time period. The service was found to tender contracts using very short time periods even when an emergency procurement was not necessary; although this was allowable under the transport framework contract, it is felt that better value for money could be achieved by allowing a longer tendering window. Some issues were also identified with financial recording and monitoring within the team.

Recommendations to address the issues identified were agreed. This includes implementing a new supplier monitoring schedule and process, and starting formal reporting on supplier breaches to senior management. A full review of financial processes, led by Finance, is planned to include development of commitment records for adult and Looked After Children transport. The service has also committed to implementing longer tender windows for contracts. Implementation of these actions will be followed-up by Internal Audit and progress reported to Audit & Accounts Committee as part of the normal follow-up process.

The full audit report is supplied as Appendix 3.

- 3.4 Following the findings of the PKF report into the FACT/HACT/ESACT complaints and the Audit Committee's consideration of its findings the Council's Chief Executive and Monitoring Officer have been in discussion with the spokesman for the complainants, Dave Humphrey, about reaching a settlement of a claim of maladministration, in order to avoid a protracted referral to the Local Government Ombudsman (LGO) and more resource being used by both council and complainants on raising a complaint with the Local Government Ombudsman. The Council has powers (outside of any LGO procedure and/or settlement) under s92 of the Local Government Act 2000 to take remedial action in cases of maladministration, including paying compensation. Essentially:

Where a relevant authority consider;

- (a) that action taken by or on behalf of the authority in the exercise of their functions amounts to, or may amount to, maladministration, and

(b) that a person has been, or may have been, adversely affected by that action,

the authority may, if they think appropriate, make a payment to, or provide some other benefit for, that person."

This gives the council the statutory power to make a payment

Mr Humphrey provided the Council with evidence supporting a claim that he was personally adversely affected by the Council's maladministration in this matter and a settlement figure of £30,000 has been agreed as an appropriate level of compensation/goodwill gesture for his time spent in raising and pursuing this complaint since 2014. This was assessed against a wide range of LGO compensation payments from previous cases. This settlement has been agreed by the Council's s151 officer following consultation with the Council's internal and external auditors. It is being published as part of the council's commitment to openness and transparency in dealing with the outcomes of the investigation report."

<b>Source Documents</b>	<b>Location</b>
<b>Community Transport Action Plan</b>	Internal Audit Octagon 1, Shire Hall, Cambridge





Community Transport Action Plan Log

Update for Audit & Accounts Committee - As At 15th May 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.  A contract with ESACT to provide the East Cambs Connect service is now in the process of being retendered, with the closing date for tenders being the 10th May, contract award on the 20th May, and the new contract commencing 15th July 2019.			
30	CCC	Any money to be reclaimed in respect of State Aid or otherwise would be so.	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. This has informed negotiations with FH&E which are ongoing. Most recently, the Deputy Chief Executive, Executive Director of Place and Economy, and Chair of Audit & Accounts met with the Chair of FH&E at the start of May.			
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, a milestone which has not yet been reached.			
53	CCC	Chief Executive to report state Aid issue to other District Councils.	M 8.6	Complete	N/A	The Chief Executive has liaised with District Councils to ensure they are aware of the issue, and Districts which have awarded funding to FH&E have agreed that the County Council may lead on reclamation processes on their behalf (Action 30, above) and therefore it is considered this action may be closed. Further specific engagement will take place in relation to action 30, on an ongoing basis.			
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 and an ongoing process is in place to ensure that Audit & Accounts Committee are able to monitor actions on an ongoing basis.			
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				
80	CCC	Cambridgeshire County Council should ensure that the Transport Service have an accurate and up-to-date a register of all contracts awarded to transport providers.	FOI Report	Complete	Appendix 3 (Report)	A review of the contract recording processes within the Transport team was carried out by Internal Audit in the summer of 2018, and a number of improvements to filing structures and record-keeping practices were put in place. A follow-up audit was conducted in early 2019 which found the improved processes embedded in the service			
81	CCC	Cambridgeshire County Council should ensure pertinent information relating to grants is published, when such grants are awarded to voluntary, community and social enterprise organisations.	FOI Report	Complete	Appendix 2 (Report)	Internal Audit is has completed a review of compliance with the organisation's Grants to External Organisations Policy. Although the report identified that grants information has not been published consistently, actions have now been put in place to set up a new Grants Register for the organisation and ensure that all grants are reported in line with Transparency Act guidelines, as well as ongoing processes to keep the Register updated in future.			
82	CCC	The Cambridgeshire Freedom of Information (FOI) service should ensure that the formal internal review process should be reviewed, to ensure that any issues are addressed fully.	FOI Report	Complete	N/A	Peterborough City Council and Cambridgeshire County Council have formed a joint Information Governance service. A major part of this is to ensure that both services have support and resilience. A s part of this, a new internal review process has been produced.			
83	CCC	The Cambridgeshire Freedom of Information (FOI) service should ensure that responses to FOI requests always explain why it has been necessary to apply an exemption (eg. redacting information.) where an exemption has been used.	FOI Report	Complete	N/A	Templates for responses have now been developed by the service. These include prompts to explain where information is not to be provided, either in full or part.			
84	CCC	When declining to release information due to harm to commercial interests, the Cambridgeshire Freedom of Information (FOI) service should ensure that the Public Interest test undertaken sets out clearly what the link(s) between disclosure and harm to the commercial interests are to demonstrate that this is more than hypothetical.	FOI Report	Complete	N/A	The Public Interest Test sheet from Peterborough City Council has now been adopted by the Cambridgeshire team, to address this action and to ensure continuity across the authorities.			
85	CCC	Where FOIA requests are contentious or there is a group of focussed requests, The Cambridgeshire Freedom of Information (FOI) service should engage a senior officer in the service to ensure oversight. Contentious FOIA requests should be highlighted to their Head of Service and Director.	FOI Report	Complete	N/A	CCC are now sharing a weekly list of FOI requests received with the chief executive and senior officers, agreeing key contacts and approved answers coming from the service director or assistant director. Discussions are being held with Peterborough City Council to ensure continuity in reporting to senior management across the authorities via the Dynamics FOI system, which is being launched in May 2019.			
86	CCC	CCC should consider publishing Freedom of Information Act responses via the website and therefore making these available to the public.	FOI Report	In Progress	TBC	PCC and CCC have formed a joint Information Governance service and are looking at implementing a joint FOI system. One of the system requirements identified to be implemented at both Councils is the ability to publish FOI responses to the wider public. This will be reviewed both Councils in July 2019, with an implementation target of <b>December 2019</b> .			



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**APPENDIX 2 COMMUNITY TRANSPORT UPDATE REPORT**

## **Internal Audit Report**

### **Grants to External Organisations Policy Compliance**

#### **Governance Opinion**

<b>Adequacy of System</b>	<b>Limited</b>
<b>Compliance</b>	<b>Satisfactory</b>
<b>Organisational Impact</b>	<b>Minor</b>

<b>Report Issued</b>	11/04/19
<b>Follow Up Due</b>	1/06/19
<b>Audit Committee Schedule</b>	28/05/19

## **Executive Summary**

### **1 Background**

- 1.1 As part of the 2018/19 Audit Plan an audit was undertaken of grants awarded to voluntary bodies. Cambridgeshire County Council offers multiple grants to external organisations every year. These grants vary in size and scope, but all should represent an investment in the community. All grants should be in line with the Council's core objectives and aim to improve the lives of Cambridgeshire citizens and communities.
- 1.2 Grants paid by the Council must be compliant with the Grants to External Organisations Policy, Cambridgeshire County Council (CCC) Finance Regulations regarding authorisation levels and European Union (EU) State Aid requirements. The Grants to External Organisations Policy is a new policy which came into effect in July 2018. In conjunction with this the Chief Executive requested that Internal Audit undertake a review of grants to external organisations to check compliance with the new policy. The Chief Executive has also asked the Council's Senior Management Team to compile a list of grants issued by their services.
- 1.3 In addition, The Local Government Transparency Code 2015 requires Local Authorities to publish details of all grants to voluntary, community and social enterprise organisations. (See Appendix 2 for further detail.)

### **2 Audit Approach / Scope**

- 2.1 The Control Objectives of this audit are to provide assurance that:
  - The grants awarded comply with the Grants to External Organisations Policy, CCC Finance Regulations regarding authorisation levels and EU State Aid requirements.
  - There is grants information available in line with the Local Government Transparency Code.
- 2.2 The original intention was to select a sample of 8 grants from the list of transactions recorded on the financial system under account code E5000 (Grants to Voluntary Organisations). The initial sample selected using this list were found to be contracts rather than grants. As a result there was further scrutiny of the E5000 general ledger list before the sample was reselected. Any suppliers on the 'grants' account code but also listed in the contracts register were excluded, as Internal Audit understood that suppliers with a contract would not also be receiving a grant separately. Relevant budget holders then confirmed the final selection were grants.

### **3 Key Risks**

- 3.1 Non-compliance with key controls in the Grants to External Organisations Policy may create a risk that the Council does not achieve value for money in its award for grant

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funding, or that the Councils CCC Finance Regulations or EU State Aid requirements are breached.

3.2 Non-compliance with the Local Government Transparency Code.

## Internal Audit Opinion and Main Conclusions and Recommendations

### 4 Main Conclusions

Based on the completion of our fieldwork we are giving limited assurance over the adequacy of complying with the Local Government Transparency Code. This is because there is:

- No grants register
- Directorates were unable to supply comprehensive lists of grants
- Lack of understanding of what constitutes a grant among budget holders
- Mis-coding means that grant information cannot be reliably established from the financial system

Internal Audit is giving satisfactory assurance over the compliance with the Grants to External Organisations Policy. There are control weaknesses and cases of noncompliance in a number of areas that are summarised in more detail below.

#### 4.1 Grants register

The Council is not complying with the Local Government Transparency Code 2015 requirement to publish details of all grants to voluntary, community and social enterprise organisations. This detail can be published either in a grants register or by tagging the information in the published financial transactions. In light of the coding issues discovered within the financial transactions there is currently no reliable way of finding details of the grants awarded. Once the coding has been corrected there is still additional information required of each grant that is not possible to obtain from the financial ledger.

**Recommendation:**

Internal Audit recommend that a grants register is compiled and published online containing the following information:

- Grant start and end date
- service which awarded the grant and contact responsible for the grant
- beneficiary (including company/charity number where applicable)
- summary of the purpose of the grant and the Council priorities to which the grant relates
- amount of the grant to be awarded

**Recommendation:**

The Grants to External Organisations Policy is updated to reflect the need to update the grants register with each new grant awarded.

## 4.2 Mis-coding of grant expenditure

Internal Audit have identified that grant expenditure is not being correctly coded to the grant account code E5000. The vast majority of transactions on this code relate to expenditure made through contracts for services, rather than actual grant expenditure. Of the £6.18m expenditure on the E5000 account code between April and December 2018,<sup>1</sup> analysis by Internal Audit indicates that at least £5.92m (95.8%) appears to be contract expenditure which has incorrectly been coded to the grants account code.

The mis-coding is not limited to non-grant-related expenditure being coded to the grants account code; the review has also identified £275,871 grant expenditure which has been assigned to other account codes. For example, the grant awards made through the Innovate and Cultivate fund are coded to D8100 (Joint Partnership Funding). It should be noted that due to the difficulties experienced in seeking to identify grant expenditure, assurance cannot be provided that Internal Audit has identified all actual grant expenditure outside the E5000 account code.

This issue has been addressed in the Internal Audit Report on 'Accuracy of Account Coding on the Financial Ledger'.

**Recommendation (as made in Internal Audit Report on 'Accuracy of Account Coding on the Financial Ledger'):**

Finance team should conduct a data cleanse of the E5000 account codes, to re-code expenditure to the correct account codes. This piece of work should then be expanded to include the moving of grant expenditure on other codes to E5000.

- 4.3 Budget holders are responsible for managing the financial transactions on a cost centre, and must carry out this responsibility in line with the Council's Scheme of Financial Management and Budget Holder Information Pack. The Internal Audit Report on 'Accuracy of Account Coding on the Financial Ledger' notes that there is no explanation of the use of account codes and their importance, or the need to ensure that transactions are coded correctly. A full list of account codes is not provided to budget holders, and

<sup>1</sup> N.B. this analysis has excluded year-end accrual journals which have the effect of transferring expenditure from one financial year into another. If accruals were included, this would have the effect of reducing in-year expenditure on E5000 between April and December 2018 to £5.43m. Subsequent to this review, Finance have confirmed that some accrual journals had the effect of correcting the coding on certain transactions, and as a result the true level of miscoding is slightly lower; however it remains significant.

there is no guidance on how different types of expenditure should be classified. This report recommended that the Scheme of Financial Management and Budget Holder Guidance documents be updated to include reference to the requirement that transactions be assigned to the correct account code. The following recommendation supports this recommendation.

**Recommendation:**

Internal Audit to update the Grants to External Organisations Policy to explicitly state that grant expenditure be coded to E5000.

- 4.4 A contributory factor in the mis-coding of grant expenditure may relate to a lack of understanding about the definition of what constitutes a grant.

**Recommendation:**

The definition of a grant needs to be advertised in conjunction with the appropriate use of E5000. The CamWeb information about grants needs to have the definition of a grant on the web page and not just in the policy document.

- 4.5 Since completing the sample testing for this audit, Internal Audit have found further expenditure of £1.04 million on account code D7005 'Grants'. Initial investigation of this expenditure seems to show that a high proportion are not grants as defined in the Grants to Voluntary Organisations Policy and should probably be classified as 'grants and support for service users' (account code F1115). It is, however, beyond the scope of this audit to carry out further analysis of these payments.

This further highlights the problems there are in relying on the financial ledger to identify grants. There is the additional risk that since the Council publishes all items of expenditure over £500 online including analysis of the 'expense type', based on the account code used, interested external parties who access this data to conduct their own analysis may reach incorrect conclusions regarding Cambridgeshire County Council expenditure. This has the potential to create reputational damage to the authority.

**Recommendation:**

Finance team to clarify or consolidate the use of the grants account codes and communicate this with budget holders:

- E5000 Grants to Voluntary Bodies
- F1115 Grants and Support for other Service Users
- D7005 Grants



#### 4.6 Compliance with the Grants to External Organisations Policy

There were mixed findings in relation to compliance with the Grants to External Organisations Policy. Of the sample of eight grants, five grants complied with the policy and three did not.

##### Compliant Grants:

- Two grants awarded through the Community Reach Fund. Total value £1,500.
- Two grants awarded through the Innovate and Cultivate Fund. Total value £59,987.
- Learning and Development grant for the Homeless. Total value £90,438.

##### Partially Compliant Grants:

There are two grants which have limited paperwork in place, have been awarded for several years and the paperwork that is available is not all up to date. Neither of these comply fully with the policy.

- Grant to provide day opportunities for people with disabilities. Total value £9,894.
- Grant to provide safe off-road riding and instruction to high risk teenagers. Total value £6,000.

##### Non-compliant Grant:

The final grant in the sample had no paperwork in place except for a Service Level Agreement from 2005. This does not comply with the policy and it appears that for the last ten years at least there have been annual payments of £24,808 with no evidence of monitoring or a signed agreement.

The risk with these grants that do not comply fully is that the Council is not receiving value for money and is potentially exposed to reputational damage without clear agreements being in place.

Internal Audit have contacted the people responsible for the non-compliant grants in order to advise what changes need to be made to ensure compliance with the Grants to External Organisations Policy.

**Recommendation:**

All grants continuing into 2019/20 (not just those in the sample) not awarded by Innovate and Cultivate Fund or Community Reach Fund and older than two years to be re-evaluated by the services to establish how the grant was advertised and whether the organisation have supplied sufficient information and that an up to date signed grant agreement is in place.

Where insufficient information is on file, organisations need to sign a grant agreement and supply the key documents to comply with the Grants to External Organisations Policy.

***Detailed agreed actions are listed within the Management Action Plan (MAP) at pages 9 to 11 of this report.***

## MANAGEMENT ACTION PLAN

The Agreed Actions are categorised on the following basis:

Likelihood	H	S	I	E	<b>Essential</b> - Action is imperative to ensure that the objectives for the area under review are met. <b>Important</b> - Requires action to avoid exposure to significant risks in achieving objectives for the area under review. <b>Standard</b> - Action recommended to enhance control or improve operational efficiency.
	M	S	I	E	
	L	S	I	E	
		L	M	H	Impact

Ref.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
1.	<p><b>Register of grants</b></p> <p>The Local Government Transparency Code 2015 requires Local authorities to publish details of all grants to voluntary, community and social enterprise organisations.</p> <p>This can be achieved by either: tagging and hence specifically identifying transactions which relate to voluntary, community and social enterprise organisations within published data on expenditure over £500 or published procurement information, or by publishing a separate list or register.</p>	<p><b>Important</b></p> <p>Recommendation: Internal Audit recommend that the FOI team compile and maintain a grant register containing the following information:</p> <ul style="list-style-type: none"> <li>- Grant start and end date</li> <li>- service which awarded the grant and contact responsible for the grant</li> <li>- beneficiary (including company/charity number where applicable)</li> <li>- summary of the purpose of the grant and the Council priorities to which the grant relates</li> <li>- amount of the grant to be awarded</li> </ul> <p>Recommendation: Grants to External Organisations Policy to be updated to reflect the need to contact the FOI team in order to update the grants register with each new grant awarded.</p>	<p>Following meetings, it has been agreed that the Finance team will work to put together an initial grants awarded register. Dan Horrex and his team will then be responsible for maintaining this.</p> <p>Accepted.</p>	<p>Data Protection Manager, Corporate Information team and Head of Finance</p> <p>COMPLETE – Grants register has been created covering all Directorates as of 10<sup>th</sup> May 2019.</p> <p>Audit &amp; Risk Mgr</p> <p>COMPLETE – updated and advertised to staff on 10<sup>th</sup> May 2019</p>

Ref.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
2.	<p><b>Grant Coding</b></p> <p>Budget holders are responsible for managing the financial transactions on a cost centre, and must carry out this responsibility in line with the Council's Scheme of Financial Management and Budget Holder Information Pack.</p> <p>Current guidance notes that Budget Holders should review their budget's transaction listings on a monthly basis to confirm transactions are "valid", and that Finance Staff can assist in resolving errors. A full list of account codes is not provided to budget holders, and there is no guidance on how different types of expenditure should be classified.</p> <p>In particular, there also seems to be a lack of clarity amongst budget holders about what constitutes a grant how this should be coded.</p>	<p><b>Important</b></p> <p>It has been recommended (in the 'Accuracy of Account Coding on the Financial Ledger' audit report) that the Scheme of Financial Management and Budget Holder Guidance be updated to include:</p> <ul style="list-style-type: none"> <li>- Reference to the requirement that transactions be assigned to the correct account code;</li> <li>- A list of account codes should be made available to budget holders, with additional guidance on distinguishing similar types of expenditure (for instance, agency staff vs. consultancy vs. professional services costs).</li> </ul> <p>Recommendation: Finance team should conduct a data cleanse of the E5000 account codes, to re-code expenditure to the correct account codes. This piece of work should then be expanded to include the moving of grant expenditure on other codes to E5000.</p> <p>Recommendation: Grants to External Organisations Policy to be updated to include guidance about coding expenditure to E5000.</p> <p>Recommendation: Finance team to clarify or consolidate the use of the grants account codes and communicate this with budget holders:</p> <ul style="list-style-type: none"> <li>• E5000 Grants to Voluntary Bodies</li> <li>• F1115 Grants and Support for other Service Users</li> <li>• D7005 Grants</li> </ul>	<p>Agreed - Account code guidance has been produced and now forms part of the budget holder information pack.</p> <p>This has happened naturally due to the new financial year.</p> <p>Agreed.</p> <p>Account code guidance has now been produced and forms part of the budget holder information pack</p>	<p>Head of Finance</p> <p>COMPLETE – circulated to all budget holders on 10<sup>th</sup> May 19.</p> <p>Head of Finance</p> <p>COMPLETE</p> <p>Mairead Claydon, Audit Manager</p> <p>COMPLETE</p> <p>Head of Finance</p> <p>COMPLETE – circulated to all budget holders on 10<sup>th</sup> May 19.</p>

Ref.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
3.	<p><b>Review of grants awarded prior to the introduction of the grants policy and being re-awarded for 19/20</b></p> <p>Grants awarded prior to the grants policy and which are being re-awarded year on year need to be reviewed to ensure they comply with the policy.</p>	<p><b>Standard</b></p> <p>Recommendation: All grants (not just those in the sample) not awarded by Innovate and Cultivate Fund or Community Reach Fund and older than two years to be re-evaluated by the services to establish:</p> <ul style="list-style-type: none"> <li>- how the grant was advertised and whether the organisation have supplied sufficient information. Where insufficient information is on file, organisations need to be asked to supply the key documents, in line with the Grants to External Organisations Policy, such as a grant agreements.</li> </ul>	<p>Agreed – Directors were reminded about the need for this to happen as part of the review and compilation of the new Grants Register.</p>	<p>Heads of Service</p> <p>COMPLETE</p>
4.	<p><b>Caresco Ltd grant</b></p> <p>This was originally a Service Level Agreement and there has been no corresponding paperwork to move to a grant. There appears to have been no signed agreement since 2005.</p> <p>The Internal Audit team are aware that the team identified as able to rectify the compliance issues are not the team originally involved with this grant</p>	<p><b>Essential</b></p> <p>Recommendation: Caresco grant to be re-examined to ensure that it is meeting the purposes set out in the original Service Level Agreement.</p> <p>There needs to be a grant agreement drawn up in line with the Grants to External Organisations Policy and action taken to ensure that that the grant is fully compliant</p>	<p>Agreed. The grant agreement has been produced and issued to the organisation. It is expected to be returned by the 17<sup>th</sup> May.</p>	<p>Commissioning Team (supported by Hunts Locality Team) (May 2019)</p>

## Appendix 1 – Glossary / Definitions

The Local Government Transparency Code 2015 requires Local Authorities to:

*Publish details of all grants to voluntary, community and social enterprise organisations. This can be achieved by either:*

- *tagging and hence specifically identifying transactions which relate to voluntary, community and social enterprise organisations within published data on expenditure over £500 or published procurement information, or*
- *by publishing a separate list or register.*

*For each identified grant, the following information must be published as a minimum:*

- *date the grant was awarded*
- *time period for which the grant has been given*
- *local authority department which awarded the grant*
- *beneficiary*
- *beneficiary's registration number<sup>36</sup>*
- *summary of the purpose of the grant, and*
- *amount.*

(Local Government Transparency Code 2015 Section 42-43)

## Appendix 2 – Glossary / Definitions

There are three elements to consider when determining an assurance opinion as set out below.

### 1 Control Environment / System Assurance

The adequacy of the control environment / system is perhaps the most important as this establishes the key controls and frequently systems ‘police/ enforce’ good control operated by individuals.

Assessed Level	Definitions
Substantial	Substantial governance measures are in place that give confidence the control environment operates effectively.
Good	Governance measures are in place with only minor control weaknesses that present low risk to the control environment.
Satisfactory	Systems operate to a moderate level with some control weaknesses that present a medium risk to the control environment.
Limited	There are significant control weaknesses that present a high risk to the control environment.
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

### 2 Compliance Assurance

Strong systems of control should enforce compliance whilst ensuring ‘ease of use’. Strong systems can be abused / bypassed and therefore testing ascertains the extent to which the controls are being complied with in practice. Operational reality within testing accepts a level of variation from agreed controls where circumstances require.

Assessed Level	Definitions
Substantial	Testing has identified that the control environment has operated as intended without exception.
Good	Testing has identified good compliance. Although some errors have been detected these were exceptional and acceptable.
Satisfactory	The control environment has mainly operated as intended although errors have been detected that should have been prevented / mitigated.
Limited	The control environment has not operated as intended. Significant errors have been detected and/or compliance levels unacceptable.
No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse. The system of control is essentially absent.

### 3 Organisational Impact

The overall organisational impact of the findings of the audit will be reported as major, moderate or minor. All reports with major organisational impact will be reported to SMT along with the relevant Directorate's agreed action plan.

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

### 4 Findings prioritisation key

When assessing findings, reference is made to the Risk Management matrix which scores the impact and likelihood of identified risks arising from the control weakness found, as set out in the MAP.

For ease of reference, we have used a high/medium/low system to prioritise our recommendations, as follows:

E	Essential	I	Important	S	Standard
	<p>Failure to address the weakness has a high probability of leading to the occurrence or recurrence of an identified high-risk event that would have a serious impact on the achievement of service or organisational objectives, or may lead to significant financial/ reputational loss.</p> <p>The improvement is critical to the system of internal control and action should be implemented as quickly as possible.</p>		<p>Failure to respond to the finding may lead to the occurrence or recurrence of an identified risk event that would have a significant impact on achievement of service or organisational objectives, or may lead to material financial/ reputational loss.</p> <p>The improvement will have a significant effect on the system of internal control and action should be prioritised appropriately.</p>		<p>The finding is important to maintain good control, provide better value for money or improve efficiency. Failure to take action may diminish the ability to achieve service objectives effectively and efficiently.</p> <p>Management should implement promptly or formally agree to accept the risks.</p>



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Dan Horrex, Data Protection Manager

Date: 11/04/2019

Chief Internal Auditor: Duncan Wilkinson

Lead Auditor: Tabitha Appleyard

Status of report: Final



**APPENDIX 3 Community Transport Update Report****Internal Audit Report****SOCIAL & EDUCATION TRANSPORT  
CONTRACT MANAGEMENT****Governance Opinion**

<b>Control Environment</b>	<b>Satisfactory</b>
<b>Compliance</b>	<b>Satisfactory</b>
<b>Organisational Impact</b>	<b>Minor</b>

<b>Report Issued</b>	<b>30/04/2019</b>
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<b>Audit Committee Schedule</b>	<b>28/5/2019</b>

## Executive Summary

### 1 Background

- 1.1 As a response to allegations made regarding three community transport organisations, in 2016 the Council commissioned an external investigation into the organisations and the Council's contractual relationships with them. As a result of information-gathering by Internal Audit, to inform this review, a number of control weaknesses within the Council's transport services came to light. An interim report was issued in August 2017 by Internal Audit regarding these issues, which included a number of recommendations.
- 1.2 Following the publication of the final investigation report in July 2018, Internal Audit has been commissioned to conduct a review of contract management within Transport. This review was planned to focus on the areas of highest risk, within the Social and Education Transport Team (SETT), and followed-up on the key risks and controls identified in the interim report and main investigation report. The final version of this report will be presented to Audit & Accounts Committee, as part of the follow-up to the investigation.
- 1.3 The SETT provides a range of transport across Cambridgeshire including home to school, home to day centre, and ad-hoc transport for a variety of teams within the Council.

### 2 Audit Approach / Scope

- 2.1 This review will provide assurance over high-risk areas of concern that were identified in the interim report, specifically the Social & Education Transport Team's (SETT) arrangements for procurement, contract management including supplier performance monitoring and payment, and business continuity. Areas that are not covered in this report include driver/passenger awareness training, the production of bus passes and DBS badges, and the Total Transport project.
- 2.2 The review was conducted in two phases. The first phase was an analytical review of financial and contractual data to identify any unexpected variances requiring investigation.
- 2.3 The second phase covered the governance of contract management arrangements within the service, including processes to record, manage and review contracts. This incorporated a review of process documents and sample testing of contracts and payments. In particular, this considered: processes to record all contracts; to identify trigger points for action; to review, record and respond to contractor performance; and the processes in place for reviewing and paying supplier invoices. An analytical review was conducted of a sample of

15 contracts, to verify whether actual contract expenditure is in line with expected expenditure.

- 2.4 The second phase of the review also covered the process for procurement within the service. This included confirming that processes are in place to ensure that contracts are identified for re-tendering in a timely way, that contract documentation is complete, accessible, and covers key controls, that business continuity arrangements are embedded within the service, that processes for extending contracts are codified and utilised, and that there are processes in place to ensure that the CCC-owned fleet is leveraged effectively.

### **3 Key Risks**

#### **3.1 The Councils safeguarding responsibilities are not met.**

The Council has statutory safeguarding responsibilities to those in its care and if drivers and other frontline staff are not adequately vetted issues could arise which may result in legal and reputational damage to the Council.

Safeguarding issues could also arise due to business continuity issues, resulting in service users either missing school/day care, or not being brought home afterwards.

#### **3.2 The Council's Contract Procedure Rules are not complied with.**

The Council's Contract Procedure Rules are in place to help ensure fairness and value for money. If these rules are not adhered to the Council could be accused of favouritism and/or not receive value for money from its procurements.

## Internal Audit Opinion and Main Conclusions

### 4 Main Conclusions

- 4.1 Based on our fieldwork, we are able to provide a **satisfactory** assurance opinion over the control environment, meaning that some control weaknesses exist which present a medium risk to the control environment. **Satisfactory** assurance is also given over compliance, meaning that testing has identified some issues which should have been prevented or mitigated against.
- 4.2 Overall, the Social & Education Transport Team (SETT) has made progress since the interim report in the recording and storing their contracts, and their communication with suppliers around monitoring and breaches is good. There are some issues that were identified as areas for improvement. These include:
- **Supplier monitoring is not consistent or risk-based:** The team undertakes checks on suppliers to ensure they comply with contract terms and conditions; but in practice the process does not ensure annual monitoring of all suppliers, and where suppliers are found to have failed to comply with their contract(s) there is no process to re-check them within a reasonable time period. The supplier breach process is based around a six-month timescale, but this does not align with the intention to monitor suppliers on an annual basis. This creates a risk that suppliers who breach contract terms and conditions are not identified or dealt with in a timely way.
  - **Financial processes:** The SETT service does not use the ERP system to pay invoices. Instead, SETT use a manual process to create an interface spreadsheet, which is processed by the Accounts Payable team. This was introduced due to initial difficulty making payments to suppliers during the implementation of ERP Gold, however it is not expected practice, and exposes both SETT and other Council services to risk, particularly around budgetary control and forecasting.
  - **Length of call for tenders:** Of ten contracts that were procured through the Council's transport framework, the average length of the call for tenders was just 3.36 days, with the average annual value being £57,743 and the average length of contract 8.9 months. Such a short tendering period is not likely to allow all possible bidders to make offers or to achieve best value from contracts.
  - **Emergency Procurements:** The service's Business Continuity Plan states that contracts let under emergency procedures "will be re-tendered as soon as possible, in line with normal procurement practice". This did not occur in any of the six emergency procurements tested; all were let until the end of the school year. This results in long-term contracts being let with a one-day call for tenders, which is not likely to allow all possible bidders to make offers or to achieve best value.
- 4.3 These issues are explored in more detail below.

## Internal Audit Detailed Findings and Recommendations

### 5 Monitoring of Suppliers

5.1 Within the SETT is a monitoring team which undertakes visits to schools and day centres, checking each route to that school/day centre that day to monitor suppliers' performance. These monitoring visits are performed on an ad hoc basis both proactively and reactively (responding to tip-offs from schools, parents, other suppliers). The service aims to monitor each route 1-2 times per year. When a breach of contract is identified, the supplier is awarded penalty points, depending on the severity of the offence.

5.2 A number of issues with the current processes were identified by Internal Audit:

- **Inconsistent levels of monitoring:** Of the 15 routes sampled, monitoring rates over the previous 17 months ranged from 0 times (three routes) to five times (two routes). In practice therefore some routes are being monitored much less frequently than the service intends, increasing the likelihood that supplier breaches are not identified.
- **Monitoring is not risk-based:** Monitoring is not performed on a risk-assessed basis. Any supplier which accrues 100 penalty points in a six-month period has their contract terminated. However, where suppliers are found to have failed to comply with their contract(s) there is no process to re-check them within the six month period. This creates the risk that supplier monitoring is not effective in identifying and deterring repeat non-compliance.
- **Recording of monitoring and outcomes:** The service has a separate record for monitoring activity and for breach recording. This double recording can lead to monitoring and/or breach instances being missed from one or both records (as was

#### Recommendations:

The monitoring procedure should be reviewed and updated. This should include a procedure to ensure that suppliers who are found to have breached the Terms and Conditions of the contract are re-monitored sometime in the next two months, ideally with multiple supplier routes monitored after a breach. A process should also be introduced to ensure that all suppliers are monitored at least once per year. The service should consider introducing reporting to senior management a summary of breaches at the end of each term, with serious breaches and terminations reported immediately at management discretion.

The breaches record spreadsheet and monitoring history spreadsheet should be amalgamated into a single document.

noted in one instance in testing), resulting in the records not giving an accurate reflection of circumstances, hindering compliance and monitoring follow-up.

## 6 Approach to DBS Breach

- 6.1 All drivers who drive for the Council must have a SETT-issued Disclosure & Barring Service (DBS) Card, which evidences that CCC have reviewed the driver's DBS check and the driver is cleared to drive. During one routine monitoring visit, a driver was found to not have their CCC SETT DBS Card, and it was found that their card had expired three months prior. Although a subsequent check showed that the DBS was ongoing and clear, the service was not able to evidence that the driver was immediately suspended from driving on CCC routes until this check had been done. It is crucial that drivers are suspended in such instances until the DBS check is completed, and that full documentary evidence is retained to demonstrate the Council's response.
- 6.2 The supplier was given 50 penalty points in response to this incident, the standard number of penalty points for a missing DBS check. This was later reduced to 20 on appeal, as the driver claimed to have been told by CCC staff not to renew his card.

### **Recommendation:**

Whenever the service identifies a breach of DBS requirements, the record of the breach must include full documented evidence of the process followed. This should include formal notification to the company that the driver is suspended from driving on CCC routes until the DBS check has been confirmed (this need not necessarily wait until the SETT Card is received, as long as SETT retain a record that the check has been completed and cleared).

The standard 50 penalty points issued for failure to follow DBS requirements should be applied in all cases even when a subsequent check is clear.

## 7 Financial Processes

- 7.1 The service does not use the ERP system to pay invoices. Instead the team use a manual process to create an interface spreadsheet for payments, which is processed by the Accounts Payable team. This was introduced due to difficulty making payments to suppliers during the implementation of ERP Gold, however it is not expected practice and exposes both the SETT service and other Council services to risk:
  - Because no Purchase Orders are raised on the system, budget holders cannot see transport expenditure which has been committed (but not yet incurred) on their cost centres. This impedes robust budgetary control and forecasting beyond the SETT service itself.



- Expenditure is incurred against cost centres without the approval of the budget holder. Again, this impedes robust budgetary control and forecasting.
- The process of manually creating the interface spreadsheet for payments, and having two officers check every line, is more onerous over the course of the year compared to raising a single Purchase Order at the start of each contract and simply approving expenditure against it on an ongoing basis.
- The manual process of creating the interface spreadsheet is open to human error or interference and is not subject to the automated controls of the ERP system which seek to prevent fraud and duplication.
- Payments on the interface spreadsheet are not always linked to details of the relevant service user (e.g. a SWIFT ID), which creates problems for the Finance team who need to ensure that commitments are loaded for each service user on their system, in order to ensure that forecasting is accurate and that duplicate payments or services provided in error can be identified.

7.2 There is no evidence that this variation from use of the Council's standard financial system has been approved by the Chief Finance Officer as required by the Scheme of Financial Management.<sup>1</sup>

7.3 The SETT service maintains financial commitment records giving detail of the expected cost of each contract to year end. The quality of these commitment records is variable; while the record for home to school transport is quite comprehensive, the spreadsheets for adults are more variable and do not incorporate records of all journeys.

#### **Recommendations:**

A full financial processes review should be conducted by the SETT in conjunction with the Professional Finance team. This should include immediately ensuring that payments made via interface spreadsheet are linked to a SWIFT ID, and that invoices include the names of relevant service users.

And in the longer term:

- Developing a new commitment record spreadsheet for adults transport, consistent with the approach in Children's, which contains all journeys and client information in an appropriate format.
- Reinstating the correct use of Purchase Orders and goods receipting for the payment of all SETT invoices, in line with the Scheme of Financial Management.

<sup>1</sup> "Services must seek authorisation from the Chief Finance Officer before implementing local financial systems".

## 8 Tendering Length (Non-Emergency Procurement)

- 8.1 Contracts less than one year in length are procured by the SETT against a framework contract. Of the ten contracts in the sample that were procured through the framework the average length for the call for tenders was 3.36 days, with the average annual value being £57,743 and the average length of contract 8.9 months.
- 8.2 Such a short tendering period is not likely to allow all possible bidders to make offers; three of the ten contracts reviewed received fewer than three bids. While the framework technically permits such short tendering periods, this is not good practice, particularly given the value and duration of the contracts being tendered. A longer tendering period for non-emergency contracts of at least one week would assist the service in receiving all possible bids and securing best value for the contracts.

### **Recommendation:**

Minimum tender times of at least one week should be established for all regular tenders, and the service should aim to allow more time than this in most cases.

- 8.3 It was also noted that all non-emergency contracts of less than one year in duration were tendered at the same time (March – May, for a start date of September). This concentrates a large amount of work in a short-time frame. Spreading out the tendering process (and, if necessary, contract start dates) over the year would ease the workload of the service.

### **Recommendation:**

The service should consider organising contracts and tenders in tranches throughout the year (based on school terms, where appropriate) in order to disperse the tendering workload.

## 9 Tendering of Emergency Procurements

- 9.1 The audit reviewed a sample of six contracts that were tendered under emergency procedures, i.e. when a supplier has failed and a replacement is needed urgently. All six of these contracts were put out to tender for one day. The service's Business Continuity Plan states that 'contracts temporarily let in this way will be re-tendered as soon as possible, in line with normal procurement practice.' This did not occur in any of the six emergency procurements tested; all were let until the end of the school year.
- 9.2 It is noted that Internal Audit were provided with evidence that five of the six routes reviewed did receive more than three bids, despite the short tendering window, which

provides some assurance that there was a reasonable level of competition in these cases. However, tendering lengthy contracts for such short time periods significantly restricts the number of organisations likely to bid for the contracts, and is not likely to achieve best value over the long term. While the team feel that having to re-tender emergency contracts would increase their workload, the service has previously been challenged for its practices around the letting of emergency contracts (re: the PKF investigation into community transport), and the current practices increase the risk of further challenge.

**Recommendation:**

Emergency contracts should not be let for longer than until the end of the school term, during which time they can be re-tendered using a longer tender time.

***Detailed agreed actions are listed within the Management Action Plan (MAP) on pages 8 to 13.***

## MANAGEMENT ACTION PLAN

The Agreed Actions are categorised on the following basis:

Likelihood	H	S	I	E	<b>Essential</b>	-	Action is imperative to ensure that the objectives for the area under review are met.
	M	S	I	E	<b>Important</b>	-	Requires action to avoid exposure to significant risks in achieving objectives for the area under review.
	L	S	I	E	<b>Standard</b>	-	Action recommended to enhance control or improve operational efficiency.
		L	M	H			Impact

No.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
1.	<p><b>Drivers without DBS</b></p> <p>During one routine monitoring visit a driver was found to not have their CCC SETT DBS Card, and it was found that their card had expired three months prior. Although a subsequent check showed that the DBS was ongoing and clear, the service was not able to evidence that the driver was immediately suspended from driving on CCC routes until this check had been done. It is crucial that drivers are suspended in such instances until the DBS check is completed, and that full documentary evidence is retained to demonstrate the Council's response. If a driver drives a SETT route without being DBS cleared the Council is open to legal challenge and reputation damage.</p> <p>The supplier was given 50 penalty points in response to this incident, the standard number of penalty points for a missing DBS check. This was later reduced to 20 on appeal, as the driver claimed to have been told by CCC staff not to renew his card.</p>	<p><b>Essential</b></p> <p>Whenever the service identify a breach of DBS requirements, the record of the breach must include full documented evidence of the process followed. This should include formal notification to the company that the driver is suspended from driving on CCC routes until the DBS check has been confirmed (this need not necessarily wait until the SETT Card is received, as long as SETT retain a record that the check has been completed and cleared).</p> <p>The standard 50 penalty points issued for failure to follow DBS requirements should be applied in all cases even when a subsequent check is clear.</p>	<p>Recommendation accepted by management. No change in policy required.</p> <p>Management to be more aware of the need to produce a full audit trail for all serious breaches, especially those which are DBS related.</p>	<p>Martin Kemp (SETT Quality Manager)</p> <p>This action has been completed and completion agreed by Internal Audit at the time of final report issue.</p>

No.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
2.	<p><b>Monitoring Schedule</b></p> <p>Although the Council undertakes spot-check monitoring of compliance with contractual terms and conditions, in practice the process does not ensure annual monitoring of all suppliers, and where suppliers are found to have failed to comply with their contract(s) there is no process to re-check them within a reasonable time period. The supplier breach process is based around a six-month timescale, but this does not align with the intention to monitor suppliers on an annual basis. The breach spreadsheet and monitoring spreadsheet were found to have some inconsistent information.</p> <p>This creates a risk that suppliers who breach contract terms and conditions are not identified or dealt with in a timely way.</p>	<p><b>Important</b></p> <p>The monitoring procedure should be reviewed and updated. This should include a procedure to ensure that suppliers who are found to have breached the Terms and Conditions of the contract are re-monitored sometime in the next two months, ideally with multiple supplier routes monitored after a breach. A process should also be introduced to ensure that all suppliers are monitored at least once per year. The service should consider introducing reporting to senior management a summary of breaches at the end of each term, with serious breaches and terminations reported immediately at management discretion.</p> <p>The breaches record spreadsheet and monitoring history spreadsheet should be amalgamated into a single document.</p>	<p>Management agree to implement a loose monitoring schedule that maintains unpredictability yet ensures full monitoring coverage. This will include timely re-monitoring of routes found to have breached.</p> <p>Management agree to report to senior management at the end of each term a summary of breaches that have occurred, with more detail being given on more serious offences. Terminations and serious offences will be reported immediately.</p> <p>An amalgamated spreadsheet recording monitoring instances and breaches will be created.</p>	<p>Martin Kemp (SETT Quality Manager) 31<sup>st</sup> May</p> <p>Martin Kemp (SETT Quality Manager) Pro-forma created by 31<sup>st</sup> May</p> <p>Martin Kemp (SETT Quality Manager) 31<sup>st</sup> May</p>

No.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
3.	<p><b>Length of Call For Tenders</b></p> <p>Contracts less than one year in length are procured by the SETT against a framework contract. Of the ten contracts in the sample that were procured through the framework the average length for the call for tenders was 3.36 days, with the average annual value being £57,743 and the average length of contract 8.9 months.</p> <p>Such a short tendering period is not likely to allow all possible bidders to make offers; three of the ten contracts reviewed received fewer than three bids. A longer tendering period for non-emergency contracts of at least one week would assist the service in receiving all possible bids and securing best value for the contracts.</p>	<p><b>Important</b></p> <p>Minimum tender times of at least one week (ideally longer) should be established for all regular tenders, and the service should aim to allow more time than this in most cases.</p>	<p>Tendering times are necessarily flexible due to variable time-frames imposed on transport. It is agreed that during a regular tendering period, and at other times where possible, tenders will be put out for at least one week, however there is understanding where time constraints dictate a shorter tender time. Where tendering times are short the number of bids received will be taken into consideration, when considering appropriateness of tender length.</p>	<p>Martin Kemp (SETT Quality Manager) 31<sup>st</sup> May</p>

No.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
4.	<p><b>Emergency Procurements</b></p> <p>Audit reviewed a sample of six contracts that were tendered under emergency procedures, i.e. when a supplier has failed and a replacement is needed urgently. All six of these contracts were put out to tender for one day. The service's Business Continuity Plan states that 'contracts temporarily let in this way will be re-tendered as soon as possible, in line with normal procurement practice.' This did not occur in any of the six emergency procurements tested; all were let until the end of the school year.</p> <p>Tendering lengthy contracts for such short time periods significantly restricts the number of organisations likely to bid for the contracts, and is not likely to achieve best value over the long term. The current practices increase the risk of supplier challenge.</p>	<p><b>Important</b></p> <p>Emergency contracts should not be let for longer than until the end of the school term, during which time they can be re-tendered using a longer tender time.</p>	<p>Policy to be that emergency contracts are let until the end of-, or half- term (where this is greater than three weeks hence) while an e-tender is undertaken. This e-tender is to be for at least one week.</p> <p>Where this is not necessary (e.g. where a large number of bids are received, where vehicle requirements dictate a longer, initial offer) an exception form will be completed and signed by senior management.</p>	<p>Martin Kemp (SETT Quality Manager) 31<sup>st</sup> May</p>

No.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
5.	<p><b>Financial processes:</b></p> <p>The SETT service does not use the ERP system to pay invoices. Instead, SETT use a manual process to create an interface spreadsheet, which is processed by the Accounts Payable team. This was introduced due to initial difficulty making payments to suppliers during the implementation of ERP Gold, however it is not expected practice, is not in line with the requirements of the Scheme of Financial Management, and exposes both SETT and other Council services to risk, particularly around budgetary control and forecasting.</p>	<p><b>Important</b></p> <p>A full financial processes review should be conducted by the SETT in conjunction with the Professional Finance team. This should include immediately ensuring that payments made via interface spreadsheet are linked to a SWIFT ID or other relevant identifier. The review should also ensure that interface payments are being used in the most efficient manner, reducing the amount of duplicate entry required and the risk of human error occurring in the payments.</p> <p>And in the longer term:</p> <ul style="list-style-type: none"> <li>Developing a new commitment record spreadsheet for adults and LAC transport, which contains all journeys and client information.</li> <li>Reinstating the use of Purchase Orders and receipting for the payment of all SETT invoices, in line with the Scheme of Financial Management.</li> </ul>	<p>Finance officers Ashling Manning and Emma Jones to discuss with Lillian Grainger the production of a more complete interface spreadsheet (to include Swift ID numbers or other identifier) and commitment record (to aid forecasting.)</p> <p>Management reject movement to purchase orders.</p>	<p>Emma Jones (Finance Business Partner – Education Directorate) 31<sup>st</sup> July</p>



No.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
6.	<b>Signed Contracts:</b>  The service maintains a 'Contract Chasing Spreadsheet', which has recently morphed into a spreadsheet covering not only chasing for signatures, but also keeping records of bids and contract costs, however for the sample chosen this was not thoroughly utilised and 10/15 contracts in our sample had not been signed. All contracts that are on the 'Contracts Chasing Spreadsheet' are in breach of that informal procedure as they have not been signed within seven weeks of being issued. Without signed contracts, the service is not compliant with Contract Procedure Rules and the service's legal standing in the event of a supplier challenging the terms and conditions is jeopardised.	<b>Standard</b>  The service should create a clear plan to ensure that the backlog of unsigned contracts is addressed and to ensure that the Contract Chasing Spreadsheet is kept up-to-date.	Agreed. A plan will be formulated to catch-up on the backlog of unsigned contracts. Furthermore a formalised process for contract chasing will be created to help ensure timely signing of contracts in the future.	Martin Kemp (SETT Quality Manager) 31 <sup>st</sup> May
7.	<b>Tendering Dispersal</b>  Tendering all regular contracts at the same time of year creates a bottle-neck of work for the service that could be alleviated by dispersing the tendering process across the year.	<b>Standard</b>  Tenders should be organised in tranches throughout the year in order to disperse the tendering workload.	Management reject this idea as it has been trialled previously and was found to increase work-load (due to student number fluctuations being partially aligned to school years) and reduce value for money (as competing for suppliers across multiple counties is best done early and in one block.)	N/A

No.	Issues & Risks (Precis)	Agreed Action	Management Comments	Manager Responsible & Target Date
8.	<p><b>Business Continuity</b></p> <p>There are two current contracts that the routes are supplied under. Neither of these state that suppliers must have their own business continuity plans. From those routes sampled nine include provision that suppliers must notify the service of any business continuity issues, while six state that the service must only be notified in the event of industrial action. These provisions could be elaborated upon to clearly state that the service must be notified of all business continuity issues.</p>	<p><b>Standard</b></p> <p>That the terms and conditions of the contracts routes are supplied under are amended to include notification by the supplier to the service of any business continuity issues, and requirement for business continuity planning.</p>	<p>Agreed. The service will review possibilities for adding business continuity clauses into existing contracts as well as considering these issues when creating the next DPS and Framework contracts.</p>	<p>Martin Kemp (SETT Quality Manager) 31<sup>st</sup> May</p>

## Appendix 1 – Glossary / Definitions

There are three elements to consider when determining an assurance opinion as set out below.

### 1 Control Environment / System Assurance

The adequacy of the control environment / system is perhaps the most important as this establishes the key controls and frequently systems ‘police/ enforce’ good control operated by individuals.

Assessed Level	Definitions
Substantial	Substantial governance measures are in place that give confidence the control environment operates effectively.
Good	Governance measures are in place with only minor control weaknesses that present low risk to the control environment.
Satisfactory	Systems operate to a moderate level with some control weaknesses that present a medium risk to the control environment.
Limited	There are significant control weaknesses that present a high risk to the control environment.
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

### 2 Compliance Assurance

Strong systems of control should enforce compliance whilst ensuring ‘ease of use’. Strong systems can be abused / bypassed and therefore testing ascertains the extent to which the controls are being complied with in practice. Operational reality within testing accepts a level of variation from agreed controls where circumstances require.

Assessed Level	Definitions
Substantial	Testing has identified that the control environment has operated as intended without exception.
Good	Testing has identified good compliance. Although some errors have been detected these were exceptional and acceptable.
Satisfactory	The control environment has mainly operated as intended although errors have been detected that should have been prevented / mitigated.
Limited	The control environment has not operated as intended. Significant errors have been detected and/or compliance levels unacceptable.
No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse. The system of control is essentially absent.

### 3 Organisational Impact

The overall organisational impact of the findings of the audit will be reported as major, moderate or minor. All reports with major organisational impact will be reported to SMT along with the relevant Directorate's agreed action plan.

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

### 4 Findings prioritisation key

When assessing findings, reference is made to the Risk Management matrix which scores the impact and likelihood of identified risks arising from the control weakness found, as set out in the MAP.

For ease of reference, we have used a high/medium/low system to prioritise our recommendations, as follows:

E	Essential	I	Important	S	Standard
	<p>Failure to address the weakness has a high probability of leading to the occurrence or recurrence of an identified high-risk event that would have a serious impact on the achievement of service or organisational objectives, or may lead to significant financial/ reputational loss.</p> <p>The improvement is critical to the system of internal control and action should be implemented as quickly as possible.</p>		<p>Failure to respond to the finding may lead to the occurrence or recurrence of an identified risk event that would have a significant impact on achievement of service or organisational objectives, or may lead to material financial/ reputational loss.</p> <p>The improvement will have a significant effect on the system of internal control and action should be prioritised appropriately.</p>		<p>The finding is important to maintain good control, provide better value for money or improve efficiency. Failure to take action may diminish the ability to achieve service objectives effectively and efficiently.</p> <p>Management should implement promptly or formally agree to accept the risks.</p>

**Circulation Details:**

**Confidential**

Client: Cambridgeshire County Council

Issued to: Wendi Ogle-Welbourn – Executive Director: People  
and Communities  
Jonathan Lewis – Service Director: Education  
Clare Buckingham – Strategic Policy and Place  
Planning Manager  
Hazel Belchamber – Lead Education officer  
Tom Kelly – Head of Finance  
Sue Eagle – Social & Education Transport Manager

Date: 30/04/2019

Chief Internal Auditor: Duncan Wilkinson  
Lead Auditor: Mathew Taylor

Status of report: Final Report



**UPDATE ON EXPIRED S106 RECEIPTS (DEVELOPER CONTRIBUTIONS)**

*To:* **Audit and Accounts Committee**

*Meeting Date:* **28 May 2019**

*From:* **Deputy Chief Executive**

*Electoral division(s):* **All**

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

*Purpose:* **The paper details the expired Section (S) 106 receipts and the proposed action to be taken.**

*Recommendations:* **The Committee is asked to note the contents of the report and confirm the proposed approach set out in paragraph 2.3**

<b><i>Officer contact:</i></b>	
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## 1. BACKGROUND

- 1.1 When new developments are proposed and there is insufficient infrastructure capacity in the local area to serve them, Cambridgeshire County Council may seek contributions from developers towards the funding or provision of infrastructure necessary to mitigate the impact of proposals on local services by providing land, funding or directly delivering works in kind to provide new facilities and other infrastructure. Such contributions are secured through legal agreements made under Section 106 of the Town and Country Planning Act 1990 (as amended) between local planning authorities and developers in the context of the granting of planning permission.
- 1.2 **What happens when schemes are delayed or don't happen and the S106 funds have or will expire?** S106 contributions are agreed with developers to be spent for specific purposes within a set period of time. If any of the contributions have not been spent within the set period, upon receipt of a written request from the party that made the payment, the County Council is obliged to return the unspent money to the payer.
- 1.3 Previously Audit and Accounts Committee received a report explaining the S106 process and monitoring arrangements. The Chairman of Audit and Accounts Committee asked for a regular update on expired S106 receipts and this has been provided bi-annually (although a comprehensive update is identifiable after year-end once the S106 funds are applied as funding against the schemes completed in that year).
- 1.4 Across the last few years only two expired S106 receipts have been reported to the Chairman – both of which have been agreed with the respective developers that they can be carried forward and applied after the expiry date (these are Sidgewick Avenue and Bottisham Bus Stop).

## 2. MAIN ISSUES

- 2.1 Across the last financial year, two further schemes expired with funds unspent, and the information in the table below, detailing the residual funds, as at 14/5/2019.

Description	Deadline	Notes	Balance £
Cycle Network Contribution means improvements to the cycle network in Littleport agreed by the County Council in consultation with the District Council.	01/07/2018	We are contacting the developer to seek permission to use this after the expiry date and for alternative purposes.	25,224
Archaeological	01/02/2018	A total of £29,842 was received. This remaining £3,196 is not needed for the purpose specified. We will seek permission from developer to use this for alternative purposes.	3,196

- 2.2 The S106 team will work with the Services to identify alternative proposals for these S106 funds and contact the respective developer to request the alternative use for the funds but it is within the rights of the developer to ask for the return of any expired funds
- 2.3 The S106 team will continue to monitor the S106 funds and chase services when the expiry dates approaches. However, it is likely that there will always be some occasions where it is not possible to apply S106 as the needs of the community have changed and the original purpose of the funding is no longer



required.

### **3.0 SIGNIFICANT IMPLICATIONS**

3.1 This is a monitoring update – there are no significant implications.

Background Papers – None



**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE YEAR ENDING  
31ST MARCH 2019**

*To:* **Audit & Accounts Committee**

*Date:* **28th May 2019**

*From:* **Chief Finance Officer**

*Electoral  
division(s):* **All**

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

*Purpose:* **This report:**

- **Details the performance of the Council for the 2018/19 financial year.**
- **Is a management report that precedes the production of the Council's formal Statement of Accounts. Although the Outturn Report and Statement of Accounts reconcile to one another, it is the statutory Statement of Accounts on which the audit opinion is formed.**

*Recommendations:* **The committee is asked to note the following recommendations made to General Purposes Committee on 28 May 2019:**

- a) Note the Council's year-end resources and performance position for 2018/19.**
- b) Approve the allocation of the Business Rates Relief Reconciliation of Authorities' 2017/18 Tax Loss Payments grant (£462,063) 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, see section 6.2.**
- c) Approve the use of £27,532k Basic Need Grant, £3,601k Greater Cambridge Partnership funding, and £2,052k Horizons to off-set the additional funding required to repay the use in previous years of £20,901k Growth Deal and £7,654k Growing Places funding, as well as the resulting reduction of £4,630k in the prudential borrowing requirement, see section 13.7.**
- d) Note the use of £3,693k Section 106 contributions for applicable schemes where expenditure was incurred in prior years, and the resulting reduction of £3,693k in the prudential borrowing requirement for 2018/19, see section 13.7.**
- e) Note the additional capital contributions as set out in section 13.7.**

- f) Approve additional prudential borrowing of £599,000 in 2019/20 for the Abbey Meadows condition works scheme, as set out in section 13.9.
- g) Note the changes to capital funding requirements as previously recommended in the February report, set out in Appendix 3, amounting to £372k applied to Highways schemes.
- h) Note a compensation payment in relation to the outcome of a Community Transport investigation, as set out in Appendix 4.

DRAFT

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
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## 1. PURPOSE

- 1.1 To present financial and performance information for the financial year 2018/19.

## 2. OVERVIEW

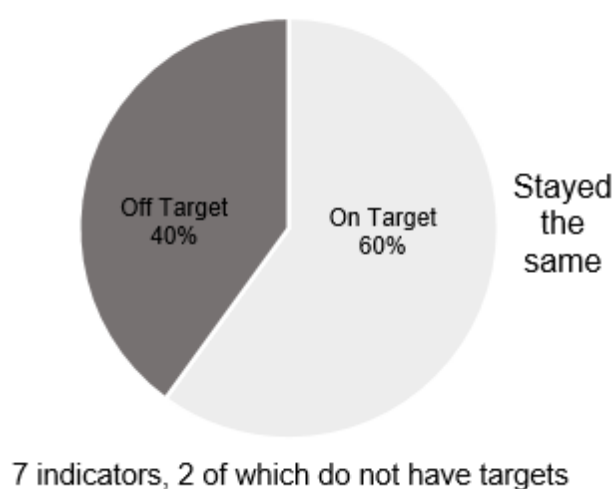
- 2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its final financial position at year-end and its key activity data for care budgets.

### 2.2 Change in indicators:

Data available as at: 31/03/2019

**Outcomes:** 95 indicators about outcomes are monitored by service committees. These have been grouped by outcome area and their status is shown below.

#### Older people live well independently



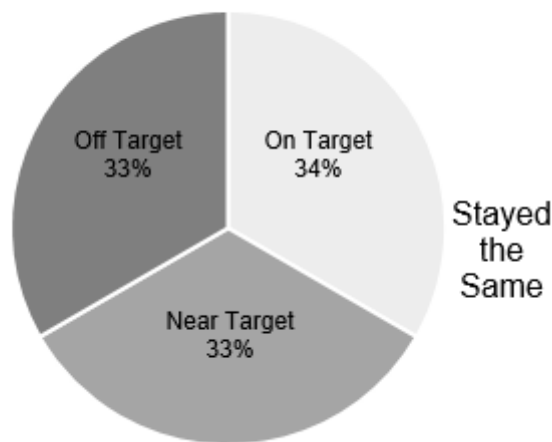
#### **Older people live well independently - Stayed the same**

There are 7 indicators for this outcome, 5 of which have targets. All 5 indicators have remained the same status since last month, 3 'on target' and 2 'off target'.

Current performance shows the number of new people entering long term care last year compared favourably to the Eastern region as a whole. 9 out of 10 people who were supported by the reablement service (a short term service which supports people to recover after crisis) did not subsequently need a long-term service. This is well above the national average. It is anticipated that performance in signposting to further information or advice only, rather than long term services, will improve also as Adult Early Help and Neighbourhood Cares teams employ community and voluntary resources.

Performance in delayed transfers of care remains off-target. The Council is continuing to invest considerable amounts of staff and management time into improving processes, identifying clear performance targets and clarifying roles & responsibilities. We continue to work in collaboration with health colleagues to ensure correct and timely discharges from hospital. Delays in arranging residential, nursing and domiciliary care for patients being discharged from Addenbrooke's remain the key drivers of ASC bed-day delays.

### People with disabilities live well independently



6 indicators

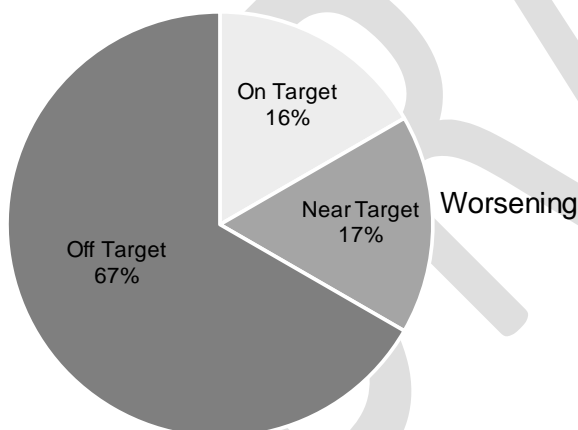
### **People with disabilities live well and independently – stayed the same**

Current performance figures show that more than 8 out of 10 adults in contact with secondary mental health services are living independently (better than target) and 15% of this client group are in employment (also better than target).

In the last biennial carers' survey, just over a third of carers supported by the local authority said they were satisfied with their support, which is just under target. The next survey is underway now.

The proportion of learning disability service users in paid employment is low and there is an action plan to improve this. The proportion of adults receiving direct payments has been falling recently and investigation around the causes is underway.

### Adults and children are kept safe



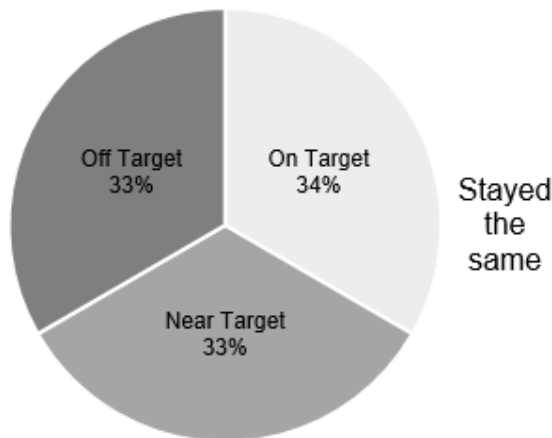
8 indicators, 2 of which do not have targets

### **Adult and children are kept safe – worsening**

Current performance figures show that in 95% of adult safeguarding enquiries outcomes were at least partially achieved (a nationally defined indicator) and more than 80% of people who have used these services say they have made them feel safer.

In children's services, re-referrals to children's social care within 12 months of a previous referral is at the current appropriate target level. Caseloads are high which is reflected in rate of children with child protection plans and the number of looked after children. Work is underway to address this.

### **People live in a safe environment**



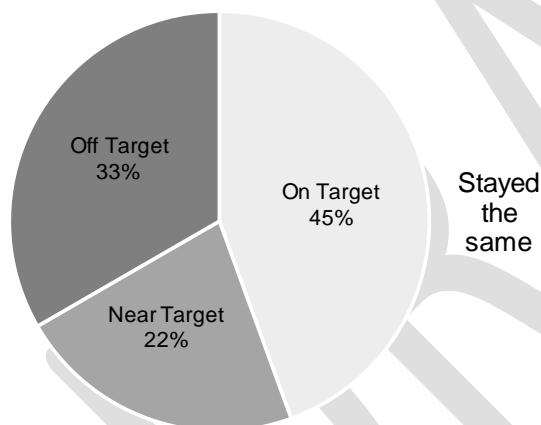
6 indicators, 3 of which do not have targets

### **People live in a safe environment – stayed the same**

Latest performance information shows that 99.6% of all streetlights are working, and the total energy use is within 3% of target (currently 11.17 million Kwh over the most recent 12 month period).

The provisional total for people killed or seriously injured on the roads to the end of December 2018 is lower than the same period of the previous year and the overall trend is downwards. However it is still above target and the Highways and Community Infrastructure Committee is monitoring a Road Safety Action Plan to reduce the number of people killed or seriously injured on the county's roads.

### **The Cambridgeshire economy prospers to the benefit of all residents**



18 indicators, 9 of which do not have targets

### **The Cambridgeshire economy prospers to the benefit of all residents – stayed the same**

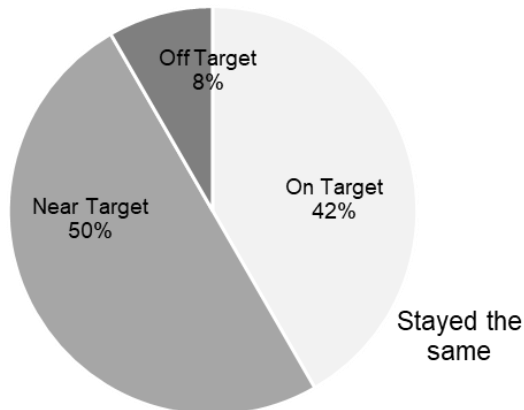
Current performance shows that 96.7% of premises in Cambridgeshire have access to at least superfast broadband, which is better than target.

Annual road condition surveys show that maintenance should be considered on 2.7% of our principal road network and 6% of our non-principal road network; both of these are better than target. More of the classified roads in Fenland require maintenance than in other parts of the county; although significant investment has recently been carried out in the Fenland area associated with the DfT Challenge Fund bid, and the effects of some of these works will not have been included in this year's survey. Inspections of the quality of workmanship of highways defects did not show any repairs as defective in the past month.

There is a national decline in bus passenger journeys and the 2018 figure for Cambridgeshire is below target. Moving forward the trend may be helped by the removal of parking charges at Park and Ride sites and through the introduction of Greater Cambridge Partnership schemes, although these are not planned until 2019/20 at the earliest.



**Places that work with children help them to reach their potential**



14 indicators, 2 of which do not have targets

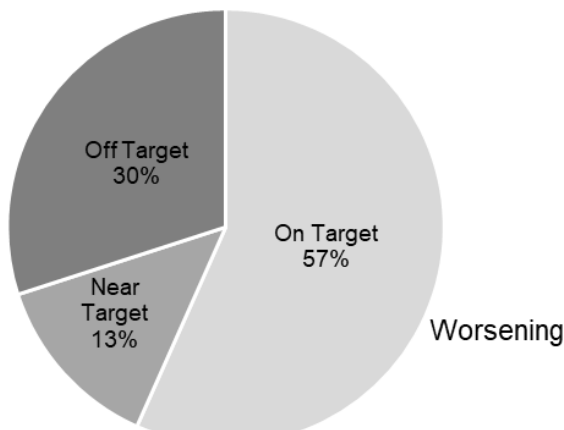
**Places that work with children help them to reach their potential – stayed the same**

Current performance shows 8 out of 10 primary-aged children and 9 out of 10 secondary-aged children attend schools judged 'good' or 'outstanding' by Ofsted. All children attending nurseries are attending 'good' or 'outstanding' settings. Nearly 9 out of 10 children attending special schools are attending 'good' or 'outstanding' schools.

In 2018, 61.4% of children taking end of Key Stage 2 tests achieved reading writing and maths combined at the expected standard, this was an improvement compared to previous year but below target and national average. At Key Stage 4, the average Attainment 8 score increased slightly in comparison to the previous year. It is slightly below target but above national average.

Performance in persistent absence from school and fixed term exclusions are both better than statistical neighbour and national averages.

**People lead a healthy lifestyle and stay healthy for longer**



34 indicators, 4 of which do not have targets

**People lead a healthy lifestyle and stay healthy for longer - worsening**

Cycle journeys in 2018 showed a growth of 71% compared to a 2004/05 baseline, which is above target.

Performance of sexual health and contraception services is good. Performance of lifestyle services including personal health trainers and weight loss services is good. Health visiting and school nursing performance is generally good.

There was an improvement in 2018 in the percentage of children with excess unhealthy weight to 17.5% of children aged 4-5. However there was a slight increase amongst children aged 10-11 to 28.4%. Both of these figures are better than the national average.

The smoking cessation programme is currently off target but performance is on an upward trajectory.

Health checks programmes are off target in terms of volume. However, GP health checks is comparable to last year and outreach health

checks have increased across the county except in Fenland. Further events have been booked and a mobile service has been introduced.

Key Pressures
<ul style="list-style-type: none"><li>- Nursing placements for older people are increasing against the April 18 baseline.</li><li>- The number of children in care has significantly increased this financial year.</li><li>- The number of children on a child protection plan has increased this financial year.</li></ul> <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 outturn

+£3.2m (0.9%)  
variance at end of  
year

RED

This is a £0.119m decrease  
in the revenue pressure  
since last month's forecast.

This is a -£19.036m  
decrease in the in-year  
capital expenditure  
compared to last month's  
forecast.

### Capital programme outturn

-£33.2m (-11.2%)  
variance  
at end of year

GREEN

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

\*Latest Review: January 2019

Transformation Programme	Transformation Fund
44 Early ideas ↔	13 projects rated Green ↑
197 Business cases in development ↔	1 rated Amber (reflecting some need to re-phase savings)
23 Projects being implemented ↔	↔

## Number of service users supported by key care budgets

### Older people aged 65+ receiving long term services

	Jan-19**	Apr-18	Trend since Apr-18
Nursing	448	410	Increasing
Residential	841	847	Stayed the same
Community	2,099	2,023	Increasing

### Adults aged 18+ receiving long term services

	Jan-19**	Apr-18	Trend since Apr-18
Nursing	30	26	Increasing
Residential	315	309	Stayed the same
Community	1,924	1,933	Stayed the Same

### Children open to social care

	Mar-19	Apr-18	Trend since Apr-18
Looked after children	768	715	Increasing
Child protection	528	483	Increasing
Children in need*	2,203	2,225	Stayed the same

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

## Public Engagement

	Mar-19	Apr-18	Trend since Apr-18
Contact Centre Engagement	15,251 Phone Calls	12,763	Increasing
	8,056 Other	5,316	Increasing
Website Engagement (cambridgeshire.gov.uk)	204,924 Users	154,319	Increasing
	295,557 Sessions	229,409	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.

\*\*A more recent update is not available as data for these services is in the process of being migrated onto the new ASC system, Mosaic.

- 2.4 This report summarises the overall financial position for the 2018/19 financial year, whereas prior reports have focussed on the movements since the previous report. As is the case with every year-end report there are a number of changes that result as balance sheet activities are reviewed. Key movements in operational expenditure are set out below in paragraph 3.2.
- 2.5 The key issues included in the summary analysis are:
- The overall revenue budget position was a pressure of +£3.2m (+0.9%) at year end. This is a movement of -£0.1m on the forecast reported as at the end of February with the majority of services reporting small favourable movements on their February forecasts with the exception of CS Financing.
  - The Capital Programme is reporting an underspend of -£33.2m compared to the position originally anticipated when the capital programme variations budget was set. This includes full utilisation of the £61.6m capital programme variations budget. See section 14 for details.

### 3. REVENUE BUDGET

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

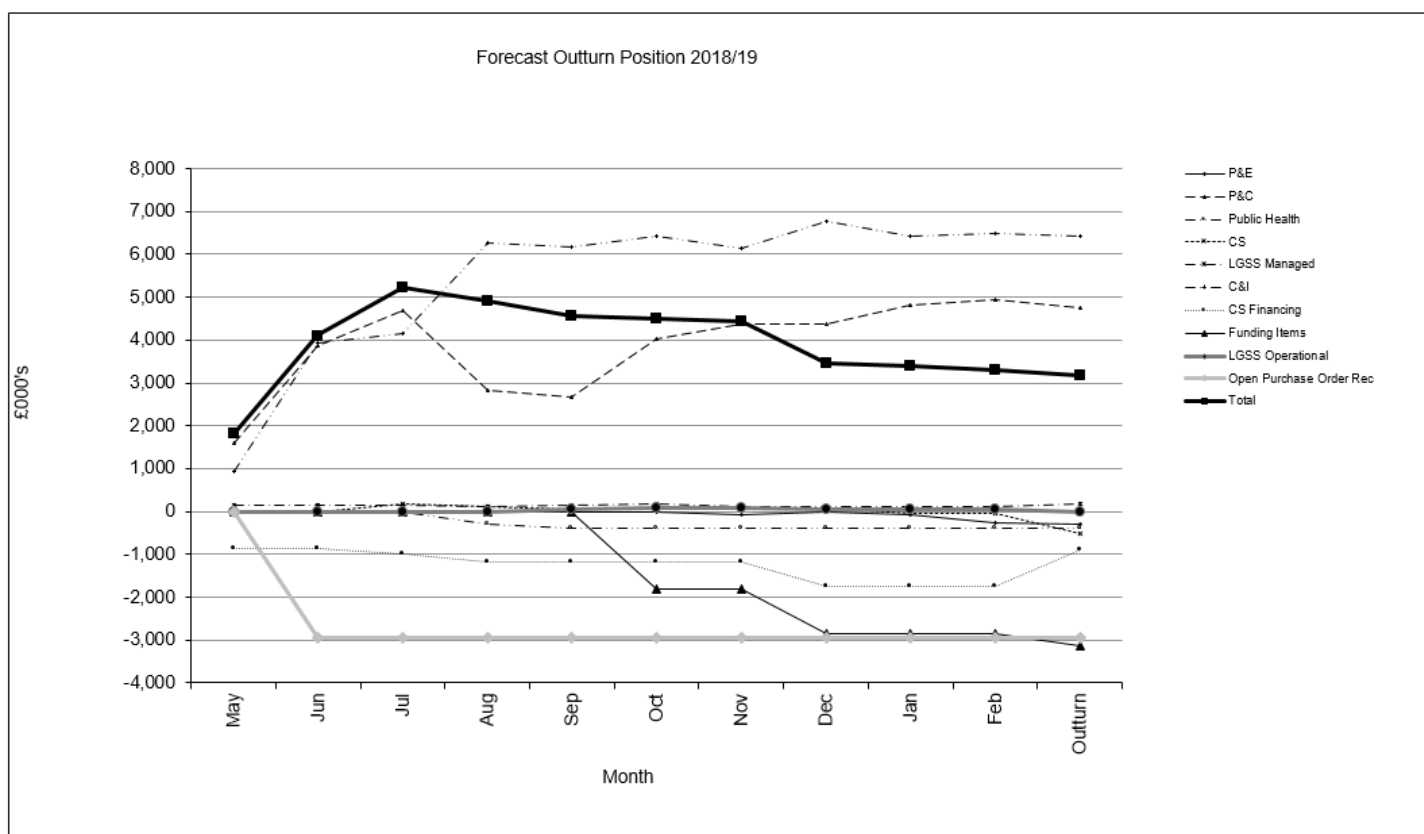
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Original Budget as per BP	Service	Revised Budget	Application of Carry Forwards/ Additional Funding approved from General Reserves	Total Funds (3)+(4)	Actual Spending	Variation		Transfer to (+) / from (-) Reserves
£'000		£'000	£'000	£'000	£'000	£'000	%	£'000
41,428	Place & Economy (P&E)	56,825	295	57,120	56,832	-288	-0.5%	288
239,124	People & Communities (P&C)	239,472	4,098	243,570	248,326	4,756	2.0%	-4,756
629	Public Health (PH)	629	0	629	238	-391	-%	391
7,207	Corporate Services (CS)	6,959	0	6,959	6,447	-511	-7.3%	511
11,126	LGSS Managed	8,986	0	8,986	9,151	165	1.8%	-165
-8,188	Commercial & Investment (C&I)	-8,757	0	-8,757	-2,341	6,416	-%	-6,416
25,983	CS Financing	25,983	0	25,983	25,089	-894	-3.4%	894
<b>317,309</b>	<b>Service Net Spending</b>	<b>330,097</b>	<b>4,393</b>	<b>334,490</b>	<b>343,742</b>	<b>9,253</b>	<b>2.8%</b>	<b>-9,253</b>
33,685	Funding Items	15,677	0	15,677	12,549	-3,127	-19.9%	3,127
0	Open Purchase Order Reconciliation	0	0	0	-2,950	-2,950	-%	2,950
<b>350,994</b>	<b>Net Spending</b>	<b>345,774</b>	<b>4,393</b>	<b>350,167</b>	<b>353,341</b>	<b>3,175</b>	<b>0.9%</b>	<b>-3,175</b>
	<b>Memorandum Items:</b>							
8,871	LGSS Operational	8,835	0	8,835	8,723	-112	-1.3%	112
<b>359,865</b>	<b>Total Net Spending 2018/19</b>	<b>354,609</b>	<b>4,393</b>	<b>359,002</b>				

<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

<sup>2</sup> 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.

<sup>3</sup> Key to column 7: + signifies overspend or reduced income, - signifies underspend or increased income.

<sup>4</sup> For budget virements between Services throughout the year, please see [Appendix 1](#).



3.2 Key exceptions this month are identified below:

3.2.1 **Place & Economy:** -£0.288m (-0.5%) underspend is being reported at year end

**£m      %**

- **Local Infrastructure Maintenance and Improvement** – a +£0.698m pressure is being reported at year end, which relates in full to a change since last month. As a result of additional ringfenced funds generated through Highways enforcement and development control charging, it is sensible for the Council to recognise additional costs in revenue, reducing the need for capital financing. Additional income within the service has been utilised to reduce the borrowing for Highway capital schemes in 2018-19. The variance is the contribution of revenue funding towards this. See also Highways Development Management below.

+0.698      (+11%)
- **Highways Development Management**– a -£0.651m underspend is being reported at year end. This is an increase of -£0.286m on the underspend position previously reported in October, of which -£0.118m relates to a change since last month. Section 106 and section 38 fees have come in higher than expected for new developments, and this has led to an overachievement of income. This partially offsets the pressure on Local Infrastructure Maintenance and Improvement reported above.

-0.651      (-%)

- **Major Infrastructure Delivery**– a £0.372m pressure is being reported at year end, of which £0.161m relates to a change since last month. This is due to legal and maintenance work relating to the Busway defects. +0.372 (+34%)
- **Transport Strategy and Policy**– a £0.288m pressure is being reported at year end, which relates in full to a change since last month. The majority of the work in this area is charged to capital schemes, however there are a number of areas which have been charged to revenue this year:- +0.288 (+279%)
  - Model development and maintenance, including surveys.
  - Strategy development (planned and ad hoc).
  - Engagement in national / regional transport (including rail and trunk road).
- **Street Lighting**– a -£0.360m underspend is being reported at year end, of which -£0.228m relates to a change since last month. This is due to the higher number of deductions for performance failures than expected, which were made in line with the PFI contract and relate to adjustments due under the contract Payment Mechanism regarding performance. -0.360 (-4%)
- 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 -£0.288m. For full and previously reported details see the [P&E Finance & Performance Report](https://tinyurl.com/y6msymsu), (<https://tinyurl.com/y6msymsu>).

3.2.2 **People & Communities:** +£4.756m (+2.0%) pressure is being reported at year end.

- |   | £m     | %      |
|---|--------|--------|
| <ul style="list-style-type: none"> <li>• <b>Special Educational Needs and Disability (SEND) Specialist Services</b> – a +£9.873m pressure is being reported at year-end. This is an increase of £0.642m on the position previously reported in January, which relates in full to a change since last month. Of the £9.87m pressure, £8.7m of this is Dedicated Schools Grant (DSG) expenditure and will be carried forward as part of the overall DSG deficit balance into 2019/20. £1.2m is a base budget pressure on the Council's bottom line. There was a net increase of 500 Education, Health and Care Plans (EHCPs) over the course of the 2017/18 academic year (13%) and an average of 10 additional EHCPs a week throughout the 2018/19 academic year. This increase in numbers, as well as an increase in complexity of need, has caused pressures across all elements of the SEN budget. The Council is in experiencing growing demand for High Needs Services, which is impacting many other Councils across the country. This issue is under active monitoring by Schools Forum and the local authority will need to submit a recovery plan for this deficit to the Department for Education this summer. A number of management actions, including an increased investment in</li> </ul> | +9.873 | (+19%) |

casework officers to respond to demand are under consideration currently.

The significant changes across the different elements of the SEN budget are outlined below:

- **High Needs Top- Up Funding** – a +£4.877m pressure is being reported at year end. This is an increase of £0.420m on the position previously reported in January (and relates in full to a change since last month). As well as the overall increases in EHCP numbers creating a pressure on the Top-Up budget, the number of young people with EHCPs in Post-16 Further Education is continuing to increase significantly as a result of the provisions laid out in the 2014 Children and Families Act. This element of provision accounted for the majority of the overspend on the High Needs Top-Up budget.
- **Out of School Tuition** – a +£1.026m pressure is being reported at year end. This is an increase of £0.235m on the position previously reported in January (and relates in full to a change since last month). The overall pressure is due to a combination of extended provision and also new tuition packages being put in place due to placement breakdowns. This is a continuation of the theme experienced this financial year, resulting in a higher number of children accessing tuition packages than the budget can accommodate.
- **Financing DSG** – a -£8.682m contribution from DSG has been applied to fund pressures on a number of High Needs budgets. This is a -£0.644m increase in the required contribution previously reported in January, which relates in full to a change since last month. The -£8.68m represents the amount drawn down from the DSG reserve in excess of what was budgeted to cover pressures in DSG-funded areas. These included High Needs Top Up Funding (£4.88m), Funding to Special Schools and Units (£2.68m), Out of School Tuition (£1.03m), SEN Placements (£0.18m), Early Years Specialist Support (£0.04m), 0-19 Organisation & Planning (£0.01m), SEND Specialist Services (-£0.09m) and Early Years Service (-£0.03m). -8.682    (-15%)
- **Older People's Services** – a +£1.971m pressure is being reported at year end across Older People's and Physical Disabilities Services. This is a £0.697m increase in the pressure previously reported in January, of which £0.607m relates to a change since last month. The tight supply of nursing home beds is leading to growing cost pressures for the Council currently. The Commissioning directorate has a number of workstreams +1.971    (+3%)



progressing to mitigate this impact as far as possible. Unit costs of care have increased through the year, and the mix of placements has shifted towards more expensive types of care at a higher rate than expected. The increase in costs later in the year was partly expected due to winter, and mitigated through grant funding received from central government, but this started from a position that was already over budgeted activity levels and continued through March. In addition, a number of expected mitigations for this pressure were not as high as expected, particularly the amount of cost to be reimbursed from the NHS where people are assessed as having health needs.

- Adoption**– a +£0.634m pressure is being reported at year end. This is an increase of +£0.261m on the position previously reported in January, of which +£0.175m relates to an increase since last month. This change is due to a rise in the Adoption/ Special Guardianship Order (SGO) allowances and provision of a further nine external inter agency placements since January. In 2018/19 additional demand was forecast on our need for adoptive placements. During the year the contract with Coram Cambridgeshire Adoption (CCA) has been renegotiated based on an equal share of the extra costs needed to cover those additional placements. The increase in Adoption placements is a reflection of the good practice in making permanency plans for children outside of the looked after system and results in reduced costs in the placement budgets.
 

+0.634	(+12%)
--------	--------
- 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 +£4.756m. For full and previously reported details see the [P&C Finance & Performance Report](https://tinyurl.com/y4rql7aa), (<https://tinyurl.com/y4rql7aa>).

**3.2.3 Public Health:** a -£0.391m (-%) underspend is being reported 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/y4p86wuw), (<https://tinyurl.com/y4p86wuw>).

**3.2.4 Corporate Services:** -£0.511m (-7.3%) underspend is being reported at year end.

- |   | £m      | %       |  |  |
|---|---------|---------|--|--|
| <ul style="list-style-type: none"> <li> <b>Central allocations</b>- a -£0.322m underspend is being reported at year end, which relates in full to a change since last month. Within the Corporate Savings &amp; Funding category, the demography fund (£322k) was held centrally rather than allocated to a specific service (although the £3.4m smoothing fund had been allocated earlier in year to demand-led pressures). Instead, the remaining central allocation had effectively been held to offset risk of under delivery against the corporately managed savings for workforce, shared services and contract management. At year-end, workforce savings had exceeded target, however there was under delivery against contract management (£64k) and sharing with               <table border="0" style="float: right; margin-top: -100px;"> <tr> <td style="text-align: right; padding-right: 10px;">-0.322</td> <td style="text-align: right;">(-100%)</td> </tr> </table> </li> </ul> | -0.322  | (-100%) |  |  |
| -0.322  | (-100%) |         |  |  |

Peterborough City Council (£139k), which the demography fund underspend has offset.

- 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 -£511k. For full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y4gbsrvk), (<https://tinyurl.com/y4gbsrvk>).

3.2.5 **LGSS Managed:** +£0.165m (+1.8%) pressure is being reported 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/y4gbsrvk), (<https://tinyurl.com/y4gbsrvk>).

3.2.6 **CS Financing:** a -£0.894m (-3.4%) underspend is being reported at year end.

- **Debt Charges and Interest-** a -£0.894m overall underspend is being reported at year end. This is a decrease of £0.844m on the underspend position previously reported in December and relates in full to a change since last month. The change is almost entirely due to the capitalisation of interest recharge which has been calculated significantly lower than was originally budgeted.

The Council has a policy of capitalising the costs of borrowing for schemes, which is allowable up until the point a project completes. The recharge between capital projects and the Financing Costs budget can therefore only be completed at year end once the final funding position of all capital schemes has been established, and once it has been identified which schemes have completed and which are ongoing as at 31<sup>st</sup> March 2019. There are several reasons why the final calculation is significantly under budget; the most substantial factor has been the reduction of the average cost of borrowing to the Council over the last year (this has reduced the costs of borrowing to the Council, but has also reduced the value of the recharge). However, there have also been changes to funding sources for projects (we have undertaken less borrowing than originally expected), and some schemes have also completed faster than anticipated in the original estimation and therefore it has only been possible to recharge the interest costs for a proportion of the year.

£m	%
-0.894	(-3%)

- For full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y4gbsrvk), (<https://tinyurl.com/y4gbsrvk>).

3.2.7 **Commercial & Investment:** a +£6.416m (-%) pressure is being reported 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/y62ddoey), (<https://tinyurl.com/y62ddoey>).

- 3.2.8 **Funding Items:** a -£3.127m underspend is being reported at year end. The underspend position has increased by -£0.263m since last month. This is primarily due to the inclusion of the additional Business Rates Relief Reconciliation of Authorities' 2017-18 Tax Loss Payments grant of -£0.462m as set out in section 6.2.
- 3.2.9 **Open Purchase Order Reconciliation:** -£2.950m underspend is being reported at year end. There are no exceptions to report this month.
- 3.2.10 **LGSS Operational:** -£0.112m (-1.3%) underspend is being reported at year end. There are no exceptions to report; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#), (<https://tinyurl.com/y4gbsrvk>).

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

## 4. SAVINGS TRACKER

- 4.1 The "Savings Tracker" report – a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2018-19 Business Planning process. For 2018/19, the Council has delivered £27.8m of savings against its original plan. Blue rated savings totalled £2.3m, exceeding the target on those initiatives. Green rated savings totalled £18.5m. The year-end Savings Tracker is included as **Appendix 5** to this report.

It is also important to note the relationship with the reported position within this report. As pressures arose in-year, further mitigation and/or additional savings were required to deliver a balanced position.

- 4.2 A summary of Business Plan savings by RAG rating is shown below:

BLUE			GREEN			AMBER			RED			BLACK			Total Original Savings	Total Variance
Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	£000	£000
1	-1,500	-818	54	-18,506	17	4	-924	335	7	-15,817	9,366	8	-1,570	1,570	-38,317	10,470

The stretched targets for existing savings and additional savings identified within the funnel supported delivery of a further £5,786k in addition to the amounts shown above. For several proposals, due to delays or difficulties in recruiting, the delivery of savings in some cases may re-phased into 2019/20.

## 5 KEY ACTIVITY DATA

- 5.1 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/y4rql7aa>) (section 2.5).

## 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 Business Rates Relief Reconciliation of Authorities' 2017/18 Tax Loss Payments Grant

The Council has received an additional £462k in 2018/19 from the Ministry for Housing, Communities and Local Government (MHCLG) for Business Rates Relief; Reconciliation of Authorities' 2017/18 Tax Loss Payments. Local Authorities received interim section 31 grant payments during the year based on 2017/18 NNDR1 forecasts which recompensed authorities for their individual reduction in non-domestic rating income in 2017/18. Following receipt of NNDR3 returns for 2017/18 and a reconciliation process, MHCLG has issued a new grant determination to reimburse local authorities who had previously under forecasted the amount of business rates relief given in 2017/18. As a result Cambridgeshire County Council's additional allocation for 2018/19 is £462,063.

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 Business Rates Relief Reconciliation of Authorities' 2017/18 Tax Loss Payments grant (£462,063) 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.**

## 7. SCHOOLS

- 7.1 Funding for schools is received from the Department for Education (DfE) via the Dedicated Schools Grant (DSG). As well as funding individual school budgets, the DSG also funds a range of central support services for schools.

7.2 Total schools balances as at 31<sup>st</sup> March 2019 are as follows:

	<b>31<sup>st</sup> March 2018 £m (original published balances)</b>	<b>31<sup>st</sup> March 2018 £m (amended for in-year academy conversions)</b>	<b>31<sup>st</sup> March 2019 £m</b>	<b>Change £m</b>
Nursery Schools	0.6	0.6	0.9	+0.3
Primary Schools	9.9	9.7	11.1	+1.4
Special Schools	0.6	0.6	0.5	-0.1
Pupil Referral Units (PRUs)	0.1	0.1	0.1	0.0
<b>Sub Total</b>	<b>11.2</b>	<b>11.0</b>	<b>12.6</b>	<b>+1.6</b>
Other Revenue Balances (e.g. Community Focussed )	1.1	1.1	1.1	0.0
<b>TOTAL</b>	<b>12.3</b>	<b>12.1</b>	<b>13.7</b>	<b>1.6</b>

It must be noted that further to the DSG, schools budgets include funding from the Education & Skills Funding Agency (ESFA) for Post 16 funding, in year funding for items such as pupils with statements and additional grant such as the Pupil Premium. Schools that converted to Academy status prior to 31 March are no longer reported by the Local Authority and therefore are not included within the figures.

The change in individual school balances can be attributed to several reasons:

- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Some schools have chosen to apply balances in 2018/19 to maintain current staffing levels and class structures.
- Pressures on capital funding have led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.
- A number of ESFA additional funding allocations were made to schools in the final quarter of 2018/19 (including Devolved Formula Capital & Free School Meals)

- 7.3 Analysis will be undertaken to look at the individual changes in balances, and appropriate challenge given to both schools in a deficit position, and schools with excessive balances. Further analysis will be carried out throughout the year to ensure that schools are spending in accordance with their submitted budgets and recovery plans.
- 7.4 If a school is classed as not meeting the minimum floor targets for attainment, any balance in excess of 5% (secondary) or 8% (primary/special/nursery) is considered excessive and will be subject to local authority learning directorate officers determining how some of the excess could be best used to raise attainment levels.
- 7.5 A fuller report on financial health of individual schools, including surplus and deficit balances and a school-by-school breakdown was submitted to Schools Forum earlier in May and is available for review at: <https://tinyurl.com/SchoolFinHealth19> .

The balances can be further analysed in the tables below:

<b>Sector</b>	<b>Schools with Reported Deficit Balances as at 31<sup>st</sup> March 2019</b>
Nursery	0
Primary	3
Secondary	0
Special	1
<b>Total Schools</b>	<b>4</b>

Value of revenue deficits at 31<sup>st</sup> March 2019:

<b>Deficit</b>	<b>Nursery</b>	<b>Primary</b>	<b>Special</b>	<b>Total</b>
£100k+	0	0	0	<b>0</b>
£60k - £100k	0	0	0	<b>0</b>
£20k - £60k	0	1	1	<b>2</b>
£10k - £20k	0	0	0	<b>0</b>
£1k - £10k	0	2	0	<b>2</b>

Value of surplus revenue balances held by schools at 31<sup>st</sup> March 2019:

<b>Surplus</b>	<b>Nursery</b>	<b>Primary</b>	<b>Special</b>	<b>Total</b>
£0k - £10k	0	5	0	<b>5</b>
£10k - £20k	0	6	0	<b>6</b>
£20k - £60k	0	36	0	<b>36</b>
£60k - £100k	1	35	1	<b>37</b>
£100k - £150k	2	22	0	<b>24</b>
£150k - £200k	0	12	1	<b>13</b>
£200k - £300k	3	7	0	<b>10</b>
£300k - £400k	0	2	1	<b>3</b>
£400k+	1	0	0	<b>1</b>

Please note: the figures in 8.2 and 8.5 are based on the year end returns from schools. However, following further validation of the Consistent Financial Reporting (CFR) returns the final information on Schools balances published by the Department for Education may differ slightly.

## 8. GENERAL RESERVE BALANCES

8.1 Balances on the general reserve as at 31<sup>st</sup> March 2019 are £12.8m as set out below:

General Reserve Balance	2018/19 Final Outturn £m
<b>Balance as at 31<sup>st</sup> March 2018</b>	13.393
<b>Changes Arising:-</b>	
Planned Business Plan adjustments	3.253
Children's Services and New Duties -Leaving Care additional funding approved at July 2018 GPC	-0.685
Additional pensions contributions net underachievement	-0.436
Surplus Corporate Grants	3.563
Open Purchase Order Reconciliation	2.950
Commercial & Investment	-6.416
People & Communities	-4.756
Debt Charges	0.894
Corporate Services	0.511
Public Health <sup>1</sup>	0.391
Place & Economy	0.288
LGSS Managed	-0.165
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>12.785</b>

<sup>1</sup> The Public Health transfer to the General Reserve relates to unringfenced funding; this was the -£391k underspend on the County Council core budget allocated to the Public Health Directorate in 2018/19 to supplement the national ringfenced grant.

8.2 As a minimum it is proposed that the General Reserve should be no less than 3% of the gross expenditure of the Council (excluding schools expenditure and Combined Authority Levy). At year end, the General Reserve was 2.2% of budgeted 2019-20 gross non-school expenditure. This deficit has been addressed as part of Business Planning, whereby £4.7m are added to reserves on 1 April 2019, restoring them to the 3% level.

## 9. REVIEW OF OTHER RESERVES

9.1 The Council reviews the level of its overall reserves at outturn each year, in addition to assessing the adequacy of reserves as part of the BP process. Reserves have long provided vital flexibility in the Council's financial management and no changes are proposed in the operation of these reserves going forward. Details of the Council's earmarked reserves are set out in [Appendix 2](#).

## 10. TREASURY MANAGEMENT ACTIVITY

- 10.1 This section summarises the expenditure and income for debt financing, which is held as a central budget within Corporate Services, and complies with the reporting requirements in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Interest payable	16.591	15.856	(0.735)
Interest receivable	0.031	(0.670)	(0.701)
Capitalisation of Interest Costs	(2.417)	(1.710)	0.707
Technical & Other	0.429	0.522	0.093
MRP	11.350	11.093	(0.257)
<b>Total</b>	<b>25.984</b>	<b>25.091</b>	<b>(0.893)</b>

- 10.2 Interest payments were less than budgeted because fewer long term loans were raised during the year than had been budgeted. Short term loans at lower rates of interest were raised instead to meet liquidity needs. Minimum Revenue Provision (MRP) and Capitalisation of Interest Costs were less than budgeted as a consequence of reprofiling and alternative funding of capital expenditure.
- 10.3 The change in the authority's loan debt over the year was as follows:

	<b>1<sup>st</sup> April 2018 £m</b>	<b>31<sup>st</sup> March 2019 £m</b>	<b>Difference</b>
Long Term Debt	362.860	442.257	<b>79.397</b>
Short Term Debt	135.000	156.000	<b>21.000</b>
	<b>497.860</b>	<b>598.257</b>	<b>100.397</b>
Less: Investments	26.424	29.601	<b>3.177</b>
Less: 3rd Party Loans & Share Capital	32.330	95.392	<b>63.062</b>
<b>Net Debt</b>	<b>439.106</b>	<b>473.264</b>	<b>34.158</b>

- 10.4 Long-term debt consists of loans for periods exceeding one year (at either fixed or variable rates of interest) and the average rate of interest paid on this long-term debt was 4.0%. The average rate paid on short term debt was 1.0%. The overall average rate on total borrowing was 3.2%.



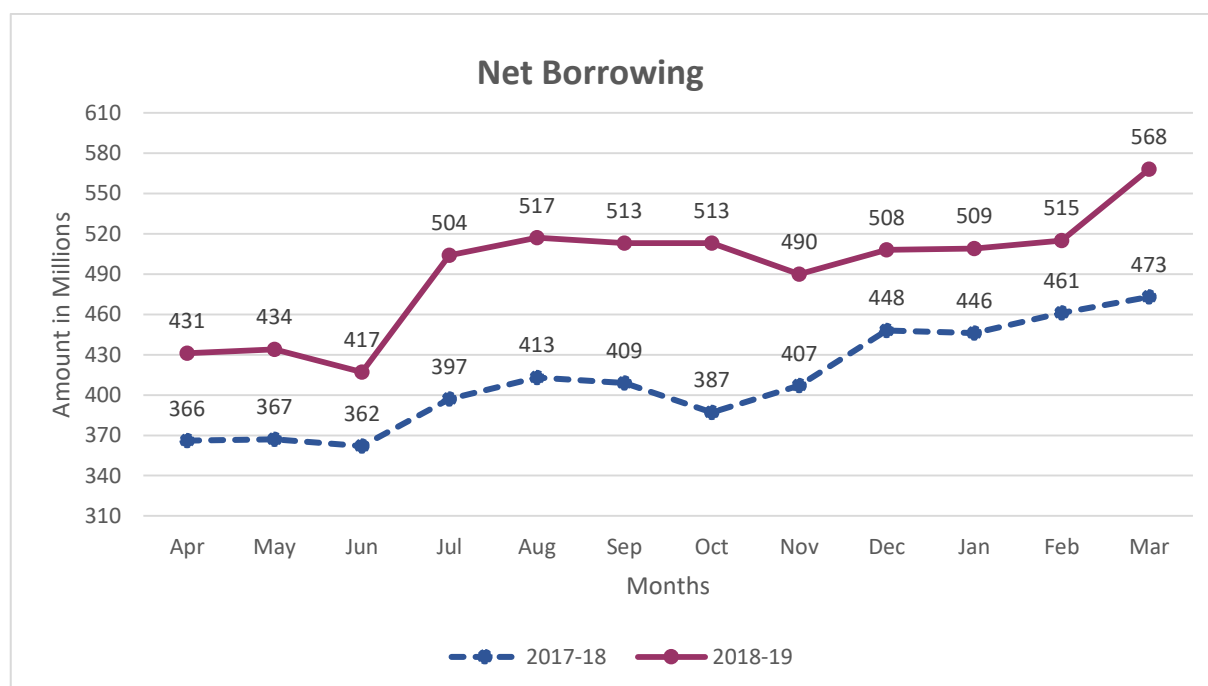
- 10.5 Each year the Council must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2018/19 compares with approved limits as follows:

	Approved	Actual
<b>Financing Costs</b>		
% of Net Revenue Stream	8.3%	7.6%
Authorised Limit for Debt	£1,014.6m	£598.3m
Operational Boundary for Debt	£984.6m	£598.3m
<b>Interest Rates Exposure (as % of total net debt)</b>		
Fixed Rate	150%	72%
Variable Rate	65%	28%
<b>Debt Maturity Range (as % of total debt) *</b>		
Under 1 year	0 to 80%	28%
1 – 2 years	0 to 50%	17%
2 – 5 years	0 to 50%	12%
5 – 10 years	0 to 50%	10%
Over 10 years	0 to 100%	33%

\* The guidance for this indicator required that LOBO loans are shown as maturing at the next possible call date rather than at final maturity, regardless of likelihood of this option being exercised.

## 11. BALANCE SHEET

- 11.1 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 March 2019 were £30m (excluding 3<sup>rd</sup> party loans) and gross borrowing was £598m, equating to a net borrowing position of £568m. Of the gross borrowing, it is estimated that £165m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3<sup>rd</sup> parties in order to receive a financial return.



- 11.2 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 later projections of Balance Sheet cash-backed reserves and the Capital Programme borrowing requirements, this forecast was revised lower to £620m. The final outturn position was lower; net borrowing of £568m largely due to slippage in delivery of the capital programme.
- 11.3 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.
- 11.4 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.

- 11.5 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.
- 11.6 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](https://tinyurl.com/y4azemdw), (<https://tinyurl.com/y4azemdw>).
- 11.7 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](#).

## 12. DEBT MANAGEMENT

- 12.1 An overview of debt management outcomes is shown below:

Measure		Year End Target	Actual as at the end of March 2019
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£4.91m
	Sundry	£1.71m	£3.41m

### 12.2 Bad Debt Provision

As a result of the levels of debt at year end, assessed for security, the Council has increased the provision it carries on its balance sheet for bad debt by £0.37m.

### 12.3 Summary Final Position:

Overall debt outstanding has decreased since February. Overdue debt (total less current) has decreased by £13m from £29m to £16m.

91 days + KPI debt balances have decreased by £1.28m since February. The target of £5.08m was not achieved, with the final balance being £8.32m.

The Head of Revenues & Benefits, who is newly responsible for Debt Management activity within LGSS, is reporting to the June 2019 Audit and Accounts Committee on plans for improvement in this area. A number of actions are underway under the new head of service to improve the position:

- Confirming staff into permanent positions (after extensive staff turnover and use of agency); the whole debt management team is now staffed by employees.
- Providing additional management supervision and support; staff have been released from ERP project work (which has now stabilised) and from wider LGSS revenues & benefits functions.

- Appointment of external debt recovery agents for targeted work.
- Appropriate use of legal escalations.
- Preventative measures for Adult Social Care debt including direct debits and deputyship orders.
- Further progress on allocating income received from customers but not applied to individual invoices.
- Overhauled budget holder level debt reporting.

#### 12.4 Adults Social Care

Adult Social Care (ASC) and Older People– 91 days + debt has decreased by £0.99m since February. Final balances are £4.91m against a target of £3.37m.

#### 12.5 Sundry

Overall sundry 91 days + debt has decreased by £286k since February. This consists of debt decreases of £248k in Children's Services, £37k in Corporate Services and £1k in Place & Economy. This has resulted in the final sundry 91 days + debt balance being £3.41m against a target of £1.71m.

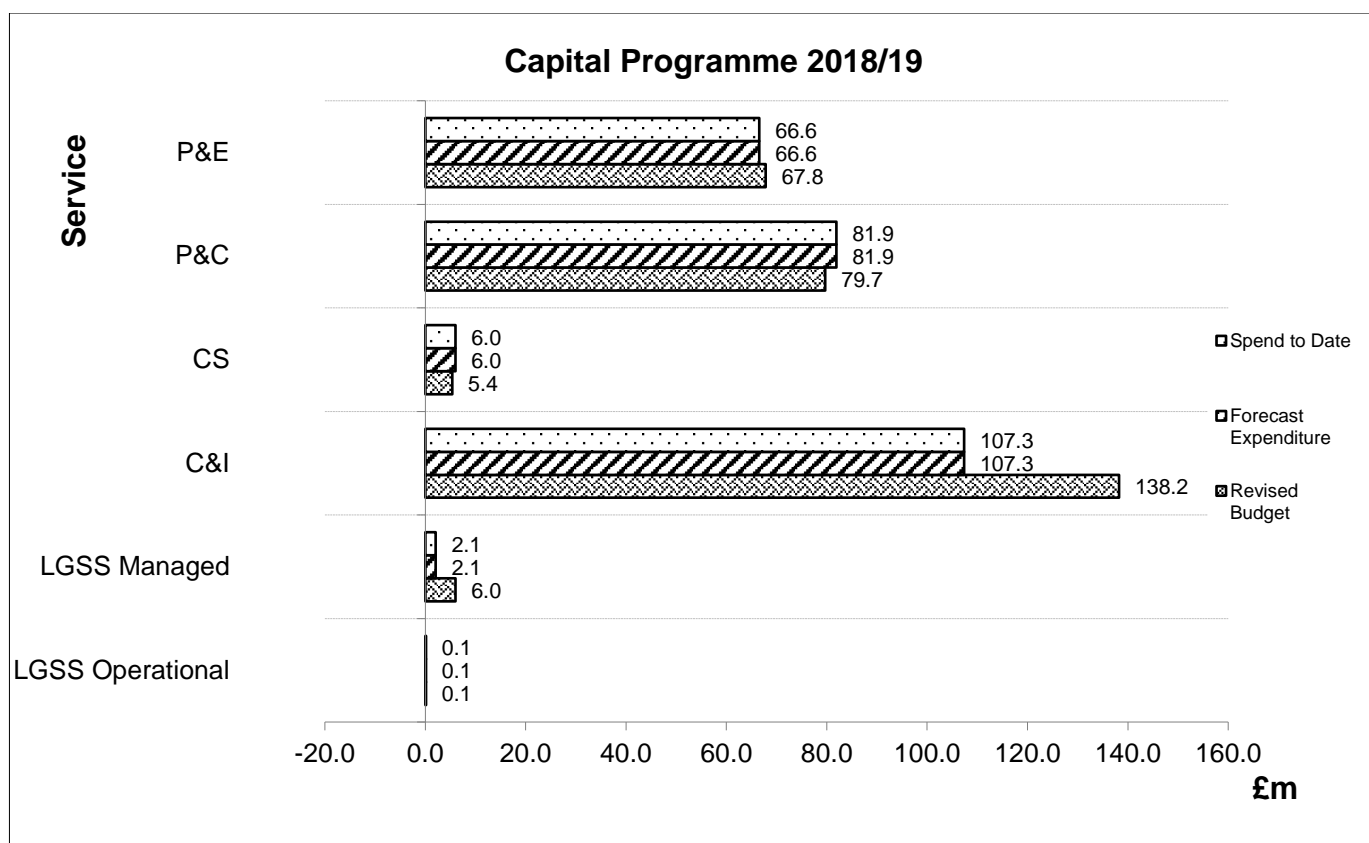
### 13. CAPITAL PROGRAMME

13.1 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 (Feb) £000	Service	Revised Budget for 2018/19 £000	Actual- Year to Date (Outturn) £000	Actual Variance - Outturn 2018/19 £000	Actual Variance - Outturn 2018/19 %	Total Scheme Revised Budget (Outturn 1819) £000	Total Scheme Forecast Variance (Outturn 1819) £000
35,956	-	P&E	67,842	66,567	-1,275	-1.9%	444,571	-
87,820	3,937	P&C	79,718	81,891	2,173	2.7%	670,994	15,451
2,038	1,183	CS	5,365	6,017	652	12.2%	19,541	-
6,415	-1,556	LGSS Managed	6,013	2,088	-3,925	-65.3%	6,963	-184
123,274	-17,769	C&I	138,217	107,350	-30,867	-22.3%	266,164	319
-	-	LGSS Operational	134	134	0	0.2%	2,025	-
-	-	Outturn adjustment	-	-	-	-	-	-
255,503	-14,206	<b>Total Spending</b>	297,289	264,048	-33,242	-11.2%	1,410,258	15,585

**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 13.2.
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 reporting an underspend of -£8.2m 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.



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

- 13.2 In light of the significant slippage experienced in recent years due to deliverability issues with the programme, and the impact this has on the revenue financing of the related debt for the programme, the Capital Programme Board recommended that a 'Capital Programme Variations' line be included for each Service which effectively reduced the programme budget for 2018/19. This was allocated service-wide rather than against individual schemes as it is not possible to identify in advance which particular schemes will be affected by land-purchase issues, environmental factors etc. which create the slippage.

A summary of the use of capital programme variations budgets by services is shown below.

2018/19					
Service	Capital Programme Variations Budget £000	Actual Variance - Outturn 2018/19 £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Actual Variance Against Revised Budget - Outturn 2018/19 £000
P&E	-14,931	-16,206	14,931	100.00%	-1,275
P&C	-10,469	-8,296	8,296	79.24%	2,173
CS	-951	-299	299	31.44%	652
LGSS Managed	-1,479	-5,404	1,479	100.00%	-3,925
C&I	-33,805	-64,672	33,805	100.00%	-30,867
LGSS Operational	0	0	0	-	0
Outturn adjustment	-	-	-	-	-
<b>Total Spending</b>	<b>-61,635</b>	<b>-94,877</b>	<b>58,810</b>	<b>95.42%</b>	<b>-33,242</b>

13.3 As at year-end, People & Communities (P&C) has utilised -£8.3m of the -£10.5m capital programme variations budget originally allocated to P&C, and Corporate Services (CS) has utilised -£0.3m of the -£0.9m capital programme variations budget originally allocated to CS. Taken together with the rephasing on Place & Economy (P&E), LGSS Managed, Commercial & Investment (C&I) which have exceeded the capital programme variations budget allocated to them, this fully utilises the total -£61.6m capital variations budget and exceeds the total by -£33.2m. Therefore, overall expenditure on the 2018/19 capital programme is underspent by -£33.2m compared to the position originally anticipated when the capital variations budget was set.

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

13.4.1 **Place & Economy:** a -£1.3m (-2%) in-year underspend is being reported at year end after the capital programme variations budget has been utilised in full.

	£m	%
<ul style="list-style-type: none"> <li><b>£90m Highways Maintenance schemes</b> - an in-year pressure of +£1.5m is being reported at year end. This is a decrease of -£0.5m on pressure reported last month. This is due to the reclassification of two schemes which were transferred to be funded by the £6.653m Additional Highways Maintenance funding, thereby reducing the pressure on this policy line; the schemes were Sutton Rd, Leverington (£250k) and Soham, Great North Fen (£142k).</li> </ul>	+1.5	(+50%)
<ul style="list-style-type: none"> <li><b>Major Scheme Development &amp; Delivery</b>- a -£0.3m underspend is being reported at year-end, which</li> </ul>	-0.3	(-61%)

relates in full to a change since last month. This relates to work on the Northstowe bus link; this work will be carried out in 2019/20. The scheme is in the early design stage; further funding availability is being sought before the scheme proceeds further.

- **Ely Crossing-** a -£0.5m underspend is being reported at year-end, which is a decrease of +£1.1m on the underspend reported last month. The overall underspend this financial year is largely due to ongoing land compensation claims.

-0.5                      (-4%)
- **Guided Busway-** a -£0.5m underspend is being reported for year-end, which relates in full to a change since last month. The overall underspend this financial year is due to land compensation payments in relation to the busway being lower than anticipated.

-0.5                      (-96%)
- **Delivering the Transport Strategy Aims** – an in-year underspend of -£1.5m is being reported at year end. This is an increase of -£0.4m on the underspend position reported last month. This is primarily due to rephrasing on the following schemes:

  - Highways Schemes: an in-year underspend of -£1.1m is being reported at year-end, which is an increase of -£0.4m since last month. This is due to further underspends arising on:
    - B1049 Cottenham, Twentypence Road where construction was removed at short notice at request of the parish (0.183m).
    - Cambridge, Oxford Rd / Windsor Rd Traffic calming (£0.293m) – this is still at consultation stage, and to be carried forward to 2019/20.
    - C291/C292 Cambridge Victoria Ave/Maids Causeway - Pedestrian & cycle improvements – delays in design and now at consultation, to be carried forward to 2019/20.

-1.5                      (-46%)
- **Challenge Fund-** a -£0.7m underspend is being reported for year-end, which relates in full to a change since last month. This is due to two schemes being rephrased into 2019/20; Stuntney and Mile End schemes are now being delivered in early 19/20, although initially it was expected that they would be completed in March.

-0.7                      (-15%)
- **Connecting Cambridgeshire-** a -£5.6m underspend is being reported at year-end. This is an increase of

-5.6                      (-94%)



-£0.6m on the underspend previously in October and relates in full to a change since last month. Due to the nature of the contract with BT, the majority of the costs are back-ended and expenditure will not be incurred until 2019/20 and 2020/21. The total scheme cost is still £36.29m.

- 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 up to the point when rephasing exceeds this budget. Therefore £14.9m of the net underspend is balanced by full utilisation of the capital variations budget; this is an increase of £2.0m on the use of variations budget reported last month and relates primarily to the increased underspends on Major Scheme Development & Delivery, Delivering the Transport Strategy Aims, Challenge Fund, Guided Busway and Connecting Cambridgeshire, and the decreased pressure on £90m Highways Maintenance schemes, partially offset by the decreased in-year underspend on Ely Crossing as reported above.
 

+14.9	(+100%)
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- For full and previously reported details see the [P&E Finance & Performance Report](https://tinyurl.com/y6msymsu), (<https://tinyurl.com/y6msymsu>).

13.4.2 **People & Communities:** +£2.2m (+3%) accelerated spend is being reported at year-end after utilising -£8.3m of the -£10.5m capital programme variations budget allocated to P&C.

- |   | £m   | %      |
|---|------|--------|
| <ul style="list-style-type: none"> <li> <b>Basic Need – Primary</b> – an in-year underspend of -£3.3m is being reported at year-end. This is an increase of -£1.4m on the underspend reported last month. This is mainly due to rephasing on the following schemes:               <ul style="list-style-type: none"> <li>Chatteris additional primary places has been rephased by £0.4m (an increase of £0.2m since last month), due to the delay in the start of works, this will have no impact on the completion date of summer 2020.</li> <li>Gamlingay Primary School has been rephased by £0.3m in 2018/19. The project works have been completed; the contractors' final account for the construction works has yet to be finalised and agreed.</li> </ul> </li> </ul> | -3.3 | (-10%) |

- **Basic Need – Secondary** – an in-year underspend of -£5.0m is forecast. This is a decrease of £1.1m on the underspend reported last month. This is mainly due to rephasing on the following schemes:

  - Northstowe Secondary & Special has experienced reduced rephasing of £0.6m from £3.7m to £3.1m since last month. The overall £3.1m rephasing in 2018/19 is due to a requirement for piling foundations on the site, which will lead to an increase in total scheme cost and also extend the build time; however a further £0.6m of the initial rephasing has been regained due to full works being able to commence on site and progressing well due to unseasonably good weather.
  - Cambourne Village College has experienced reduced rephasing of £0.9m from £1.6m to £0.7m since last month. The overall rephasing is due to the works not starting on site until February 2019 for a September 2019 completion; great crested newts were found on site so works have been delayed.

-5.0                      (-14%)
  
- **Basic Need – Early Years:** an in-year underspend of -£1.5m is being reported at year end, which relates in full to a change since last month. This is due to works not commencing on a number of early years schemes. These will commence in 2019-20.

-1.5                      (-99%)
  
- **Adaptations:** +£0.9m accelerated spend is being reported at year end, of which £0.7m relates to a change since last month. This is mainly relates to the following schemes:

  - Morley Memorial Primary Scheme is experiencing accelerated spend of £215k as works are progressing slightly ahead of the original planned timescales and final accounts will be settled in 2018/19.
  - Sawtry Academy Project has experienced £711k accelerated spend in 2018-19 as the project has commenced ahead of the anticipated schedule.

+0.9                      (+39%)
  
- **Condition & Maintenance:** a +£2.6m pressure is being reported at year end. This is an increase of £1.1m on the position previously reported in December, of which £1.0m relates to a change since last month. This is due to a number of unplanned emergency projects requiring urgent attention to

+2.6                      (+106%)

ensure the schools concerned remained operational and to maintain the schools' condition.

- Schools Managed Capital:** a -£1.0m underspend is being reported at year end, which relates in full to a change since last month. The revised budget for Devolved Formula Capital (DFC) has increased by £1,225k due to government confirming additional funding for 2018/19 allocations. DFC is a three year rolling balance for which schools control the timing and amount of spend, and includes £717k carry forward from 2017/18. The 2018/19 position relates to schools funded capital of £987k which has matching funding to offset the impact. Devolved Formula Capital has a carry forward into 2019/20 of £1,983k.
 

-1.0	(-34%)
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- Temporary Accommodation:** -£0.2m underspend is being reported at year-end. This is a decrease of £0.3m on the underspend position previously reported in December, of which £0.2m relates to a change since last month. The overall underspend is due to the level of temporary mobile accommodation being lower than initially anticipated when the Business Plan was approved.
 

-0.2	(-15%)
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- Capitalisation of Interest Costs:** -£0.4m underspend is being reported at year-end. The capitalisation of interest calculation was carried out with analysis completed at an individual scheme level once the overall 2018/19 capital expenditure was complete, and monthly interest rates for the financial year were known. Following the final expenditure and interest figures the calculated value for P&C came in at £428k lower than the original estimated budget.
 

-0.4	(-28%)
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- For full and previously reported details see the [P&C Finance & Performance Report](https://tinyurl.com/y4rql7aa), (<https://tinyurl.com/y4rql7aa>).

13.4.3 **Corporate Services:** a +£0.7m (+12%) in-year pressure is being reported at year end.

- |  | £m     | %      |  |  |
|--|--------|--------|--|--|
| <ul style="list-style-type: none"> <li> <b>Citizen First, Digital First</b> – an in-year underspend of -£0.5m is being reported at year end, which relates in full to a change since last month. This is due to expenditure on IT hardware and software which has been delayed and is expected to take place in 2019/20.               <table> <tr> <td>-0.5</td> <td>(-43%)</td> </tr> </table> </li> </ul> | -0.5   | (-43%) |  |  |
| -0.5   | (-43%) |        |  |  |

- For full and previously reported details see [CS & LGSS Finance & Performance Report](#), (<https://tinyurl.com/y4gbsrvk>).

13.4.4 **LGSS Managed:** a -£3.9m (-65%) in-year underspend is being reported at year end after the capital programme variations budget has been utilised in full.

	£m	%
<b>Cambridgeshire Public Sector Network Replacement</b> – an in-year underspend of -£3.8m is being reported at year end. This is an increase of -£1.3m on the position previously reported in September, and relates in full to a change since last month. This is due to a revised timescale for this project; the previous contract was extended, so the process to move buildings across to the new network has started on a revised timescale.	-3.8	(-70%)
<ul style="list-style-type: none"> <li><b>Libraries IT Network Refresh</b>– an in-year underspend of -£0.4m is being reported at year end. This relates in full to a change since last month. This is due to a delay in expenditure on IT hardware which is now expected to take place in 2019/20. Overall the total scheme is now anticipated to underspend by £0.125m due to the size of the project being smaller than initially expected.</li> </ul>	-0.4	(-90%)
<ul style="list-style-type: none"> <li>For full and previously reported details see <a href="#">CS &amp; LGSS Finance &amp; Performance Report</a>, (<a href="https://tinyurl.com/y4gbsrvk">https://tinyurl.com/y4gbsrvk</a>).</li> </ul>		

13.4.5 **Commercial & Investment:** a -£30.9m (-22%) in-year underspend is being reported at year end after capital programme variations budget has been utilised in full.

	£m	%
<ul style="list-style-type: none"> <li><b>Housing Schemes</b> – an in-year underspend of -£19.7m is being reported at year end. This is an increase of -£10.0m on the underspend previously reported in December, and relates in full to a change since last month. The forecast expenditure on Housing Schemes reflected expected loans to be made to This Land, as well as equity payments associated with the completed sales. There was an expectation that within the loans to be issued during 2018-19, expenditure would be incurred with respect to:             <ul style="list-style-type: none"> <li>Construction loan on sites sold to This Land (£8m);</li> <li>Equity in This Land (£2m).</li> </ul> </li> </ul>	-19.7	(-23%)

This expenditure will now be incurred in 2019-20.

<ul style="list-style-type: none"> <li><b>Shire Hall Campus</b> – an underspend of -£2.2m is being reported at year end. This is an increase of -£1.8m on the underspend position reported last month. The 2018-19 budget included the purchase of land at Alconbury Weald, which is now expected to take place in 2019-20. It also included a proportion of the budget for risk in the scheme, which is not required in 2018-19 but will be required in future years when the building work is underway.</li> </ul>	-2.2	(-88%)
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- **Building Maintenance** – an underspend of -£0.7m is being reported at year end, of which -£0.67m relates to a change since last month. A number of essential building maintenance schemes across the portfolio were not completed in 2018-19, and it is expected that these schemes will be completed in 2019-20. -0.7 (-50%)
- For full and previously reported details see the [C&I Finance & Performance Report](https://tinyurl.com/y62ddoey), (<https://tinyurl.com/y62ddoey>).

13.4.6 **LGSS Operational:** a balanced outturn is being reported 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/y4qbsrvk), (<https://tinyurl.com/y4qbsrvk>).

13.5 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.25m or greater are identified below:

13.5.1 **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/y6msysu), (<https://tinyurl.com/y6msysu>).

13.5.2 **People & Communities:** a +£15.5m (+2.3%) 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/y4rqj7aa), (<https://tinyurl.com/y4rqj7aa>).

13.5.3 **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/y4qbsrvk), (<https://tinyurl.com/y4qbsrvk>).

13.5.4 **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/y4qbsrvk), (<https://tinyurl.com/y4qbsrvk>).

13.5.5 **Commercial & Investment:** a +£0.3m (+0%) total scheme pressure 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/y62ddoey), (<https://tinyurl.com/y62ddoey>).

13.5.6 **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/y4qbsrvk), (<https://tinyurl.com/y4qbsrvk>).

13.6 A breakdown of the changes to funding has been identified in the table below:

Funding Source	B'ness Plan Budget	Rolled Forward Funding <sup>1</sup>	Revised Phasing	Additional/Reduction in Funding	Revised Budget	Outturn Funding	Funding Variance
	£m	£m	£m	£m	£m	£m	£m
Department for Transport (DfT) Grant	17.5	4.1	-0.4	9.1	30.3	30.8	0.6
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	-	1.2	2.9	1.0	-2.0
Specific Grants	6.5	4.4	-1.0	-	9.9	13.5	3.6
S106 Contributions & Community Infrastructure Levy	11.0	3.0	-0.5	-0.6	12.9	16.3	3.5
Capital Receipts	81.1	-	-15.9	0.2	65.5	45.6	-19.8
Other Contributions	12.1	-	-3.6	6.7	15.1	11.5	-3.6
Revenue Contributions	-	-	-	-	-	5.3	5.3
Prudential Borrowing	97.3	92.4	-72.9	14.8	131.6	110.8	-20.8
<b>TOTAL</b>	<b>255.5</b>	<b>104.6</b>	<b>-94.2</b>	<b>31.5</b>	<b>297.3</b>	<b>264.0</b>	<b>-33.2</b>

<sup>1</sup> 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.

13.7 Key funding changes (of greater than £0.25m) are identified below:

Funding	Service	Amount (£m)	Reason for Change
Additional / Reduction in Funding (Specific Grants and Other Contributions)	All	+£4.6	<p>Funds received for Basic Need Grant (£27.5m), Greater Cambridge Partnership (£3.6m), and Horizons (£2.1m) that have not been needed in 2018/19 in cash flow terms for the specific schemes they relate to have been used in place of borrowing to fund other schemes across the capital programme. This will reduce the MRP charge that will be payable for 2019/20. When these funds are needed in the future for the specific schemes that they relate to, the Council will borrow to repay them.</p> <p>Funds previously received for the Growth Deal (£20.9m) and Growing Places fund (£7.7m) that have already been used in place of borrowing are now required to fund expenditure in 2018/19; this expenditure will therefore be funded by the use of the Basic Need, Greater Cambridge Partnership and Horizons funding as described above.</p> <p>This results in a net funding swap for 2018/19 of £4.6m.</p> <p><b>General Purposes Committee is asked to approve the use of £27,532k Basic Need Grant, £3,601k Greater Cambridge Partnership funding, and £2,052k Horizons to off-set the additional funding required to repay the use in previous years of £20,901k Growth Deal and £7,654k Growing Places funding, as well as the resulting reduction of £4,630k in the prudential borrowing requirement.</b></p>
Additional / Reduction in Funding (Section 106 contributions)	All	+£3.7	<p>Section 106 contributions applicable to projects which have already completed in prior years (£3.7m) due to a timing issue between expenditure and receipt of funding have therefore been allocated to fund other projects in 2018/19. This has the effect of reducing prudential borrowing in 2018/19 (the completed projects would have been funded by £3.7m prudential borrowing (repayable) in prior years).</p> <p><b>General Purposes Committee is asked to note the use of £3,693k Section 106 contributions for applicable schemes where expenditure was incurred in prior years, and the resulting reduction of £3,693k in the prudential borrowing requirement for 2018/19.</b></p>

Additional / Reduction in Funding (Prudential Borrowing)	CS	+£0.5	<p>Two third party loans have been issued in 2018/19, funded by prudential borrowing; £0.35m to Estover Playing Field Community Interest Company and £0.15m to Wisbech Town Council.</p> <p>These have been approved by Committee ahead of being advanced. The C&amp;I committee received an <a href="#">annual report</a> on third party loans in April 2019.</p>
Additional / Reduction in Funding (Other Contributions)	P&E	+£0.3	<p>The Strategy &amp; Scheme Development scheme funding has been increased by £286k revenue contributions. This relates to works charged to revenue this year, including:</p> <ul style="list-style-type: none"> <li>○ Model development and maintenance, including surveys.</li> <li>○ Strategy development (planned and ad hoc).</li> <li>○ Engagement in national / regional transport (including rail and trunk road).</li> </ul> <p><b>General Purposes Committee is asked to note this additional funding from revenue contributions.</b></p>

13.8 For previously reported key funding changes see the respective Service Finance & Performance Report (appendix 6):

P&E Finance & Performance Report  
P&C Finance & Performance Report  
CS & LGSS Finance & Performance Report  
C&I Finance & Performance Report

#### 13.9 Request for additional 2019/20 funding

Additional funding of £599k is requested for 2019/20 for the Abbey Meadows Primary School condition works scheme. This scheme is to undertake building condition and maintenance work as part of due diligence with the school converting to Academy status on 1st April 2019. As part of the incoming Trust and Council's due diligence work, a condition survey was commissioned to assess the overall condition of the Abbey Meadows school site, including all buildings and external areas. The condition survey highlighted numerous areas requiring works, all of which, if not undertaken, could have the potential to close, or partially close the school within the next 12-18 months. These include mechanical and electrical works, windows, doors and internal/external ancillary works (making good defects caused by historic/current condition faults). The total cost of the works has been assessed to the value of £599k. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme will start in 2021/22 at £43.6k and decreases each year thereafter.

**General Purposes Committee is asked to approve additional prudential borrowing of £599,000 in 2019/20 for the Abbey Meadows condition works scheme.**



## 14. EXTERNAL AND CONTEXTUAL ISSUES

- 14.1 As predicted, the financial challenges facing the Council have increased during 2018/19. CCC has continued to face substantial increases in demand for its services, both as a result of population growth and changing demographics, particularly in relation to the ageing population and those with complex care needs. The number of Looked After Children remains high although progress has been made on unit costs. There have been rising costs in Older People's nursing; this area is emerging as a significant pressure after a number of years where demand and price have been managed very effectively following reform of commissioning & social work in Cambridgeshire. Serious pressures have grown and continued on Special Education Needs and High Needs block, leading to the carried forward deficit reported in section 3.2.2. These pressures, coupled with a 3.5% reduction in Government funding led to a savings requirement of £82m from 2018/19 to 2022/23.
- 14.2 Indicative of the scale of the challenge the Council has faced this year, it has failed to achieve a "break-even" outturn for the third year in succession and ended the year needing to draw down £3.2m from its non-earmarked reserves. Details of the pressures that have led to this position can be found in previous [Finance & Performance Reports](#).
- 14.3 The financial outlook for 2019/20 remains extremely constrained. The continued reduction in Government grants is increasing reliance on locally generated forms of revenue such as Council tax and fees & charges. In particular, the Revenue Support Grant, worth more than £50m a year as recently as 2015-16, will no longer be received by the Council from 2019-20. The Council will see an overall increase in funding (excluding schools grants) of 10.9% to 2023-24, primarily due to increases in Council tax. Nevertheless, inflationary pressures, population growth and increased demand for services are expected to result in additional budget pressures of 21.6% of gross budget over the same period, resulting in a savings requirement of £61m over the next five years. However, following the 2016/17 change in the way the Council bears the cost of borrowing through its Minimum Revenue Position policy, it has been able to establish a Transformation Fund which will be further utilised during 2019/20. The Transformation Programme is integrated into the Business Planning process with a programme of investments and savings reflecting the transformational changes planned for 2019/20 and beyond. This continues to make resources available for Services to invest in strategies and to overhaul their services in a way that will deliver long-term savings.
- 14.4 The Council will focus on transforming rather than cutting services in this approach and will continue to seek to shape proposals so that the most vulnerable are the least affected. For further information see the Council's [Medium Term Financial Strategy](#).

## **15. ALIGNMENT WITH CORPORATE PRIORITIES**

### **15.1 A good quality of life for everyone**

There are no significant implications for this priority.

### **15.2 Thriving places for people to live**

There are no significant implications for this priority.

### **15.3 The best start for Cambridgeshire's children**

There are no significant implications for this priority.

## **16. SIGNIFICANT IMPLICATIONS**

### **16.1 Resource Implications**

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

### **16.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

### **16.3 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

### **16.4 Equality and Diversity Implications**

There are no significant implications within this category.

### **16.5 Engagement and Consultation Implications**

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

### **16.6 Localism and Local Member Involvement**

There are no significant implications within this category.

### **16.7 Public Health Implications**

There are no significant implications within this category.

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

<b>Source Documents</b>	<b>Location</b>
P&E Finance & Performance Report (Outturn 18/19) P&C Finance & Performance Report (Outturn 18/19) PH Finance & Performance Report (Outturn 18/19) CS and LGSS Cambridge Office Finance & Performance Report (Outturn 18/19) C&I Finance & Performance Report (Outturn 18/19) Performance Management Report & Corporate Scorecard (Outturn 18/19) Capital Monitoring Report (Outturn 18/19) Report on Debt Outstanding (March 19)	1 <sup>st</sup> Floor, Octagon, Shire Hall, Cambridge

**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
Children's Commissioning contribution towards Shared Services savings target	-14				14				
Transfer from Multi-Agency Safeguarding Hub to Contact Centre	-62				62				
Transfer Insurance budgets	394		1,764			-2,199	41		
<b>Current budget</b>	<b>243,570</b>	<b>629</b>	<b>57,121</b>	<b>25,983</b>	<b>6,957</b>	<b>8,985</b>	<b>-8,756</b>	<b>8,835</b>	<b>15,677</b>
Rounding	1	0	1	0	-1	-1	1	0	0

## APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2018	2018-19		Notes
		Movements in 2018-19	Balance at 31 March 2019	
	£000s	£000s	£000s	
<b>General Reserves</b>				
- County Fund Balance	13,392	-607	12,785	Service reserve balances transferred to General Fund after review
- Services				
1 P&C	0	0	0	
2 P&E	0	0	0	
3 CS	0	0	0	
4 LGSS Operational	0	112	112	
subtotal	13,392	-495	12,897	
<b>Earmarked</b>				
- Specific Reserves				
5 Insurance	3,175	885	4,060	
subtotal	3,175	885	4,060	
- Equipment Reserves				
6 P&C	64	-56	8	
7 P&E	30	-30	0	
8 CS	30	-27	3	
9 C&I	680	-624	56	
subtotal	804	-737	67	
<b>Other Earmarked Funds</b>				
10 P&C	464	-128	336	Includes liquidated damages in respect of the Guided Busway
11 PH	2,567	319	2,886	
12 P&E	5,382	900	6,282	
13 CS	2,677	462	3,139	Savings realised through change in MRP policy. Includes £1m transfer from Transformation Fund approved by GPC 22nd Jan 2019. This table has been presented on the basis of the £3.413m draw down approved in the August IR&PR section 6.2.
14 LGSS Managed	63	0	63	
15 C&I	552	62	614	
16 Transformation Fund	21,877	2,627	24,504	
17 Innovate & Cultivate Fund	844	717	1,561	
18 Smoothing Fund	0	0	0	
subtotal	34,426	4,959	39,385	
<b>SUB TOTAL</b>	<b>51,798</b>	<b>4,611</b>	<b>56,409</b>	
<b>Capital Reserves</b>				
- Services				
18 P&C	12,109	17,466	29,575	Section 106 and Community Infrastructure Levy balances.
19 P&E	10,200	-4,131	6,069	
20 LGSS Managed	0	0	0	
21 C&I	0	20,415	20,415	
22 Corporate	43,561	11,133	54,694	
subtotal	65,870	44,883	110,753	
<b>GRAND TOTAL</b>	<b>117,668</b>	<b>49,494</b>	<b>167,162</b>	

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		Notes
			Movements in 2018-19	Balance at 31 March 2019	
		£000s	£000s	£000s	
<b>- Short Term Provisions</b>					
1	P&E	55	-55	0	
2	P&C	200	162	362	
3	CS	0	0	0	
4	LGSS Managed	3,460	-1,367	2,093	
5	C&I	0	0	0	
subtotal		3,715	-1,261	2,455	
<b>- Long Term Provisions</b>					
6	LGSS Managed	3,613	0	3,613	
subtotal		3,613	0	3,613	
<b>GRAND TOTAL</b>		<b>7,328</b>	<b>-1,261</b>	<b>6,068</b>	

## APPENDIX 3 – RECOMMENDATIONS FROM PREVIOUS REPORTS

The February Integrated Resources and Performance Report included a number of recommendations to General Purposes Committee (GPC) that have not yet received approval, as the last Integrated Resources and Performance Report to be presented at a meeting of GPC was the January report, on 26<sup>th</sup> March 2019.

GPC is asked to approve the recommendations in the February report, which were circulated to the Committee by email.

### **February Integrated Resources and Performance Report**

One recommendation concerning capital funding found in section 5.7:

Key funding changes (of greater than £0.25m or requiring approval):

<b>Funding</b>	<b>Service</b>	<b>Amount (£m)</b>	<b>Reason for Change</b>
Addition/Reduction in Funding – Other Contributions	P&E	+£0.372	<p>The Challenge Fund schemes funding has been increased by £372k from the overachievement of income in the Highways Development Management service.</p> <p>The Challenge Fund programme of work is nearing completion with two schemes remaining. The fund was awarded to the County Council following a successful bid in 2017, to tackle drought damaged roads in the Fen area. The discovery of hazardous material within the road foundations at a number of sites in the delivery programme has resulted in a forecast pressure of £372k. Due to the nature of the waste it cannot be recycled and put back into the carriageway foundations. Instead it has to be removed from site and carefully disposed of, which carries significant cost. In order to complete the remaining two schemes the pressure will be taken from the overachievement of income by Highways Development Management, which will allow the Challenge Fund programme to be completed as per the original bid.</p> <p><b>General Purposes Committee is asked to note the +£372k additional funding towards Challenge Fund schemes in P&amp;E.</b></p>

## **APPENDIX 4 - Community transport investigation – compensation payment**

Cambridgeshire County Council seeks to be a transparent and responsible council.

Our aim is always to do the best for local people and to spend public money appropriately. If we make mistakes, we apologise, we learn from them and we try to put things right.

The Chief Executive, in consultation with the Leader of the Council set up the independent audit into the council's dealings with community transport providers FACT/HACT and ESACT as a result of a long running campaign by local taxi drivers and in particular Dave Humphrey, the Taxi Driver Association Chairman.

The association believed taxi drivers and private hire companies were being unfairly disadvantaged in bidding for transport contracts from the council – a view confirmed when the results of the independent PKF Littlejohn LLP report was heard by the Council's Audit and Accounts Committee last July.

It did show that Cambridgeshire County Council had made mistakes in the way it procured community transport and in its dealings with FACT/HACT and ESACT which had disadvantaged other local transport providers.

It also outlined a number of failings in the way FACT/HACT and ESACT worked and was managed.

The report also outlined an action plan for improvements aimed at both the council and FACT/HACT and ESACT.

The Council apologised for its own part in this, and outlined how it had already made many of the suggested actions and gave timescales for completing the others. It worked with FACT/HACT and ESACT to ensure immediate changes were made within the community transport operator's organisation.

The Chief Executive, Gillian Beasley, and Cllr Steve Count, Leader of the Council, have also made a personal apology to Dave Humphries and the Taxi Drivers Association for the time it had taken for their concerns to be properly considered and acted upon.

It is appropriate for the Council to make a compensation to Mr Humphries for the time he had lost from his own business while involved in collecting evidence and preparing and pursuing the case which eventually led to the independent audit.

As this work stretches back five years to 2014 – the Council has discussed with Mr Humphries a final settlement of £30,000 to compensate for his lost earnings over this time and in recognition of the adverse effects that his work to bring this issue to a conclusion has caused him.

The compensation payment will be made in accordance with section 92 of the Local Government Act 2000 and has the support of the Monitoring Officer, Section 151 Officer, and the Chairman of the General Purposes and Audit & Accounts Committees. The External Auditor has also been consulted.

**General Purposes Committee is invited to note the compensation payment as set out in this appendix.**



Savings Tracker 2018-19

				Planned £000						Forecast £000											
				4,316	-6,837	-5,927	-5,936	-6,444	-38,317	-16,451	-2,961	-2,152	-6,285	-27,847	10,470						
Reference	Title	Description	Committee	Investment 18-19 £000	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 18-19	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving	Variance from Plan £000	Saving complete?	% Variance	RAG	Direction of travel	Forecast Commentary	Links with partner organisations
A/R.6.001	P&C Contribution to Organisational Review Mileage Saving	As part of the Organisational Review (C/R.6.102) a cross cutting review of mileage allowances in 2017-18 was undertaken and areas where mileage could be reduced without impacting front line services were identified.	P&C Cross Committee	0	-63	0	0	0	-63	-63	0	0	0	-63	0	Yes	0.00	Green	↔	Budget reduced in budget prep - but reliant on savings to mileage budgets being ongoing.	0
A/R.6.111	Physical Disabilities - Supporting people with physical disabilities to live more independently and be funded appropriately	In line with the Council's commitment to promote independence, work will be undertaken to establish more creative ways to meet the needs of people with physical disability. This will include making better use of early help, community support and building on community and family support networks. It will also include work with the NHS to ensure health-funding arrangements are appropriate.	Adults	0	-110	-110	-110	-110	-440	-110	-110	-110	-110	-440	0	0	0.00	Green	↔	On track	0
A/R.6.114	Learning Disabilities - Increasing independence and resilience when meeting the needs of people with learning disabilities	Continuing the existing programme of service user care reassessments which requires each person's care needs to be reassessed in line with the Transforming Lives model and with the revised policy framework with a view to identifying ways to meet needs in the most appropriate way	Adults	786	-1,706	-464	-465	-465	-3,100	-1,409	-328	-127	-154	-2,018	1,082	0	34.90	Red	↑	A refreshed scoping of potential savings was undertaken, and this work took into account previous experiences around the complexity and the level of challenge which impact on the pace at which savings could be delivered. There was also a challenging round of fee uplift negotiations requiring officer input - these two aspects have resulted in the shortfall in savings. Partially mitigated through a new funnel saving (shown separately) - an £858k surplus realised against the 2018/19 budget allocation for provider inflation, further to fee uplift negotiation undertaken by the Project Assessment Team	Savings will be made on health elements of care packages as well, providing savings to the CCG
A/R.6.115	Retendering for domiciliary care for people with learning disabilities	Part-year savings were delivered in 2017/18 through retendering domiciliary care contracts, effective from 1 November 2017. The remaining effect of this saving will be delivered in 2018/19.	Adults	0	-100	0	0	0	-100	0	-100	0	0	-100	0	Yes	0.00	Green	↔	On track	0
A/R.6.122	Transforming Learning Disability In-House & Day Care Services	Developing a model of day opportunities for people with learning disabilities that is focused on enabling progression and skills development, supporting people with LD into employment where appropriate. Most of this saving will be delivered in 19/20 with a small amount in the latter part of 18/19.	Adults	0	0	0	0	-50	-50	-13	-13	-13	-13	-50	0	0	0.00	Green	↔	On track	0
A/R.6.126	Learning Disability - Converting Residential Provision to Supported Living	This is an opportunity to de-register a number of residential homes for people with learning disabilities and change the service model to supported living. The people in these services will benefit from a more progressive model of care that promotes greater independence.	Adults	0	-400	-394	0	0	-794	-25	0	0	-143	-168	626	0	78.84	Red	↔	Having better appreciation with level of stakeholder input in the last financial year has resulted in a better forecast in this complex and very volatile area. The process has a set timescale with a number of dependencies that can affect delivery and phasing.	Savings will be made on health elements of care packages as well, providing savings to the CCG.
A/R.6.127	Care in Cambridgeshire for People with Learning Disabilities	Work to enable people with learning disabilities who have been placed 'out of county' to move closer to their family by identifying an alternative placement which is closer to home. To be approached on a case by case basis and will involve close work with the family and the person we support.	Adults	75	-78	-79	-79	-79	-315	-168	-49	-49	-49	-315	0	0	0.00	Green	↔	On track	Savings will be made on health elements of care packages as well, providing savings to the CCG
A/R.6.128	Use of grant funding to reduce demand and service pressures	Grant funding is provided to Adults services to support investment to reduce demand and mitigate service pressures.	Adults	0	0	0	0	0	-7,200	-7,200	0	0	0	-7,200	0	0	0.00	Green	↔	On track	Will help meet financial pressures on Adults Services, enabling it to better respond to system-wide challenges
A/R.6.129	Russell Street Learning Disability Provision Re-design	Provide the existing permanent residential provision through an external provider as a supported living project and develop a traded in-house service that can respond to immediate needs for carer and support using the vacated residential provision.	Adults	0	0	0	-70	0	-70	0	0	0	0	0	70	0	100.00	Black	↓	Changes to Russel St were not possible in 18/19. Due to pressures across the system and the need to use relief staff and agency staff to provide statutory care, mitigations within the service could not be identified and there was a pressure at year end of £70k.	0
A/R.6.132	Mental Health Demand Management	The programme of work to transform the social care offer for adults and older people with mental health needs will deliver savings totalling £400k through a combination of demand management, staffing restructures, strategic commissioning and ensuring people receive appropriate health funding.	Adults	340	-275	-125	0	0	-400	-275	-125	0	0	-400	0	Yes	0.00	Green	↔	Completed.	Reducing demand versus expected levels should lead to lower than expected health needs
A/R.6.143	Homecare Retendering	The Council has retendered its contract for home care and this will release some efficiencies. The Council is also developing alternative ways of delivering home care support building on innovation and best practice across the country including the expansion of direct payments	Adults	100	-306	0	0	0	-306	-306	0	0	0	-306	0	0	0.00	Green	↔	On track	0
A/R.6.172	Older People's Demand Management Savings	Building on current work and plans to enable older people to stay living at home and in the community successfully through the provision of assistive technology, early help, community equipment and housing related support. Work will be undertaken to increase effectiveness of Reablement and to prevent falls in collaboration with partners.	Adults	116	-250	-250	-250	-250	-1,000	-250	-250	-225	0	-725	275	0	27.50	Red	↔	The revised plan for delivery of this saving included a target for Continuing Healthcare. This has not been achieved in full, resulting in under-delivery against the overall saving.	Should reduce demand on health system as fewer older people than expected require interventions. Reablement and Carers work should aid with DTOC.
A/R.6.173	Adult Social Care Service User Financial Reassessments	Continuing the programme of reassessing clients in receipt of adult social care services more regularly to ensure full contributions are being collected.	Adults	280	-180	-129	-77	-26	-412	-180	-129	-77	-26	-412	0	0	0.00	Green	↔	On track	0
A/R.6.174	Review of Supported Housing Commissioning	The Council is undertaking a review of all existing housing related support commissioned arrangements, with a view to ensuring contracts are efficient and to developing a single housing related support model across Cambridgeshire and Peterborough.	Adults	250	-250	-250	-250	-250	-1,000	-100	0	0	0	-100	900	0	90.00	Red	↓	The phasing of this saving will now be over several years - a major redesign of some services is needed, and this will need to be done in conjunction with changes in the housing support being provided by district councils. The overall saving delivered will be lower, with the remaining part reversed in the 2019-24 business plan.	0
A/R.6.175	Automation - Mosaic and Adult Business Support Processes	Efficiencies resulting from implementation of Mosaic replacing current processes.	Adults	0	0	0	-150	0	-150	0	0	0	0	0	150	0	100.00	Black	↔	Realignment of business support ahead of Mosaic implementation is not expected to deliver this saving in year, but the alignment of support functions will be reviewed next year once the Mosaic implementation is complete.	0

			Planned £000							Forecast £000													
			4,316	-6,837	-5,927	-5,936	-6,444	-38,317	-16,451	-2,961	-2,152	-6,285	-27,847	10,470									
Reference	Title	Description	Committee	Investment 18-19 £000	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 18-19	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving	Variance from Plan £000	Saving complete?	% Variance	RAG	Direction of travel	Forecast Commentary	Links with partner organisations		
A/R.6.177	Further savings required within Adults Services	This is the saving that will be delivered if the proposed changes to service-user care contributions policies are agreed (accounting for all appropriate benefits in contributions for day- and overnight-care, and adopting a preference for direct debits). If these changes are not agreed, additional savings will need to be found with Adults budgets in addition to savings already identified.	Adults	0	0	0	0	-282	-282	-282	0	0	0	-282	0	0	0.00	Green	↔	On track	0		
A/R.6.178	Local Assistance Scheme	Review the commissioning of the local assistance scheme and resource requirement. The small saving of £21k identified does not reduce the service offer at all	Childrens	0	-21	0	0	0	-21	-21	0	0	0	-21	0	0	0.00	Green	↔	On track	0		
A/R.6.201	Staffing efficiencies in Commissioning	A previous management restructure in the department has led to efficiencies in our commissioning team. This is the expected full year saving in 2018/19 of the new structure.	Childrens	0	-94	0	0	0	-94	-94	0	0	0	-94	0	0	0.00	Green	↔	On track	0		
A/R.6.204	Childrens Change Programme (later phases)	Further savings from the Children's Change programme - establishing new structures and ways of working to ensure that our service offer is responsive and timely - targeted to those in greatest need and towards those that we can ensure experience a de-escalation of need and risk as a result of effective, integrated, multi-agency services delivered in a timely manner.	Childrens	0	-507	0	0	-87	-594	-507	0	0	-87	-594	0	Yes	0.00	Green	↔	Saving complete.	0		
A/R.6.210	Total Transport - Home to School Transport (Special)	Saving to be made through re-tendering contracts, route reviews, looking across client groups and managing demand for children requiring transport provision	Childrens	0	-55	-38	-115	-116	-324	-45	-35	-60	-59	-199	125	0	38.58	Amber	↔	199k of savings were made through tender rounds and other route efficiencies, however increasing demand means that this full saving was not achieved in 2018/19	0		
A/R.6.214	Total Transport - Home to School Transport (Special) - Moving towards personal budgets	Personal Transport Budgets (PTBs) are discretionary payments to parents/carers of children eligible for home to school transport in exchange for full responsibility for transporting them safely to and from school. By increasing the uptake of PTBs, through targeting high cost journeys, revisiting the payment terms, improving the approval processes, and better engagement with children and parents about PTBs, this project will achieve efficiencies in the transport provided.	Childrens	0	0	0	-50	-50	-100	0	0	0	0	0	100	0	100.00	Black	↔	An anticipated move to banded PTBs did not take place in-year so savings were not achieved in 2018/19.	0		
A/R.6.224	Children's Centres - Building a new service delivery model for Cambridgeshire Communities	We want every child in Cambridgeshire to thrive and will target our prioritised targeted services for vulnerable children and young people. As an integral part of the Early Help Offer, our redesigned services will provide support to families when they really need them. We will provide a range of flexible services that are not restricted to delivery from children's centre buildings, in order to provide access to services when they are needed. We will also work in a more integrated way with partners across the 0-19 Healthy Child Programme, to provide comprehensive targeted support to vulnerable families. All of this will be supported by an effective on line resource tool as part of an improved on line offer for families. The saving will be achieved by re-purposing some existing children's centre buildings and streamlining both our management infrastructure and back office, associated service running and overhead costs. We intend to maintain the current level of front line delivery. A total saving of £900k is planned, with £249k from Buildings and Infrastructure costs. Of the £249k saving, £128k will be attributable to annual running costs of internally managed buildings. As this element of the budget is held by Corporate and Managed Services, this element of the total saving is therefore shown in Table 3 for Corporate and Managed Services, business plan reference F/R.6.110	Childrens	0	0	0	0	0	-772	-772	0	0	0	-772	0	0	0.00	Green	↑	On track	0		
A/R.6.227	Strategic review of the LA's ongoing statutory role in learning	A programme to transform the role of the local authority in education in response to national developments and the local context, (e.g. the increasing number of academies and a reduction in funding to local authorities) has been started. Savings will be made by focusing on the LA's core roles and functions; by developing joint working with Peterborough's education services, and with other authorities as appropriate	Childrens	50	-65	0	-129	-130	-324	-65	0	-129	-130	-324	0	0	0.00	Green	↔	Saving reliant on wider implementation of Shared and Integrated Services.	0		
A/R.6.244	Total Transport - Home to School Transport (Mainstream)	Through the Total Transport transformation programme we are scrutinising contract services to ensure the Council delivers the most efficient mainstream school transport services whilst ensuring all eligible pupils receive free transport in line with the Council's policy on journey times	Childrens	0	-138	-29	-88	-87	-342	-138	-27	-81	-81	-327	15	0	4.39	Green	↔	Largely achieved, although saving from route retender was £15k short of the full savings target	0		
A/R.6.250	Grants to Voluntary Organisations	Saving from the Home Start/Community Resilience Grant where the re-commissioning of this service ceased in 16/17.	Childrens	0	-168	0	0	0	-168	-168	0	0	0	-168	0	0	0.00	Green	↔	On track	0		
A/R.6.251	Automation - Education and Children's Guidance	Reduction in staff costs in Education and Children's services related to more automated models of delivering advice and guidance.	Childrens	0	-25	-25	-25	-25	-100	0	0	0	0	0	100	0	100.00	Black	↔	Savings not achieved in 2018/19; addressed through Business Planning going forward.	0		



				Planned £000						Forecast £000											
				4,316	-6,837	-5,927	-5,936	-6,444	-38,317	-16,451	-2,961	-2,152	-6,285	-27,847	10,470						
Reference	Title	Description	Committee	Investment 18-19 £000	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 18-19	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving	Variance from Plan £000	Saving complete?	% Variance	RAG	Direction of travel	Forecast Commentary	Links with partner organisations
A/R.6.253	LAC Placement Budget Savings	Savings will be delivered through a number of workstreams as well as working to reduce the number of children in care and improve the placement composition between in house and more expensive external placements. Individual pieces of work that are likely to have a positive impact on the placements budget include: • Significantly increasing the number of in house fostering placements to reduce reliance on the more costly independent fostering placements; • Reduce the length of time in care by ensuring looked after children are matched for permanence or reunified home where possible and increasing the use of Special Guardianship Order; • The new 'Hub Model' which consists of multi-disciplinary integrated teams will focus on supporting young people to remain living at home or in their family network. Where they cannot remain at home the team will continue to support them in appropriate accommodation and where possible work to rehabilitate them home; • Review the accommodation available for young people aged 16+ to ensure that it meets their needs and offers value for money; • Ensure that fees are negotiated on high cost and emergency placements; • The new Enhanced Intervention Service for Disabled Children - helping families stay together; • Earlier and wider use of systemic family meetings to identify family solutions which avoid the need for children to be accommodated in care; • Using link workers in CPFT to reduce the impact of parental mental health in risk to children.	Childrens	705	-333	-333	-417	-417	-1,500	-669	-1,012	-553	-84	-2,318	-818	0	-54.53	Blue	↔	On track	
A/R.6.254	Looked After Children Transport	Increasing efficiency in LAC transport provision by identify high cost cohorts, managing demand and integrating routes.	Childrens	50	0	-20	-40	-40	-100	0	-20	-40	-40	-100	0	0	0.00	Green	↔	Achieved in 2018/19	
A/R.6.256	Delivering Greater Impact for Troubled Families	Our multi-agency Together for Families programme will deliver and evidence greater impact for more families and so will receive increase 'payment by results' income from central government.	Childrens	45	0	0	0	0	-150	0	0	-75	-75	-150	0	No	0.00	Green	↑	On track	None
A/R.6.257	Automation - Admissions & Additional Automation Initiatives	Additional automation initiatives currently being explored – although these do relate to service areas (assistive technology, domestic violence, mental health, looked after children, etc) further work needs to be done to see where the automation 'enabler' will release savings and ensure that these are not double counted.	Childrens	0	-25	-25	-25	-25	-100	0	0	0	0	0	100	0	100.00	Black	↔	Savings not achieved in 2018/19; addressed through Business Planning going forward.	
B/R.6.001	Automation - Icon System Roll Out	Reduction in staff costs relating to Icon (payment system) roll-out.	H&CI	0	0	0	0	0	-50	0	0	0	0	0	50	No	100.00	Black	↔	The original business case for introducing this system was to enable online library payments as a means of improving customer experience and to generate more income by making payments / donations easier. Service has underspent through other means.	
B/R.6.002	P&E Contribution to Mileage Element of Organisational Review Saving	As part of the Organisational Review (C/R.6.102) a cross cutting review of mileage allowances in 2017-18 was undertaken and areas where mileage could be reduced without impacting front line services were identified.	H&CI	0	0	0	0	0	-4	-4	0	0	0	-4	0	No	0.00	Green	↔	On track	
B/R.6.104	Partner's Contribution to Removing Park and Ride Charges	We plan to remove charges to the public for parking at park and ride sites. In order to deliver this we have agreed additional contributions from our partners which will replace half the lost income from the charges previously in place	E&E	0	0	0	0	0	-600	-600	0	0	0	-600	0	Yes	0.00	Green	↔	Contribution for half the lost income has been received from the Greater Cambridgeshire Partnership.	
B/R.6.105	Ongoing Concessionary Fares Underspend	Due to changes in legislation and the increasing pension age, fewer people are eligible for concessionary bus fares - creating a reduced budget requirement in this area.	E&E	0	0	0	0	0	-400	-400	0	0	0	-400	0	No	0.00	Green	↔	Results from previous years indicates a good degree of confidence that this saving will be achieved, despite the ageing population.	
B/R.6.207	Highways Service Transformation	Significant savings will be made by the new Highways contract, which started in July 2017, from further integration with our contractor and new ways of working.	H&CI	0	-125	-125	-125	-125	-500	0	0	0	0	0	500	No	100.00	Black	↓	This is not yet being achieved and so is being funded from alternative sources whilst work to lock in the savings goes on. It is anticipated the savings will be achieved next year.	
B/R.6.208	Library Service Transformation	Changes to make the service financially sustainable and allow reinvestment in the book fund, including income generation and service redesign.	H&CI	98	0	0	0	0	-230	-230	0	0	0	-230	0	No	0.00	Green	↔	The saving will achieved from the generation of additional income, with any initial shortfall being funded by staff vacancy savings.	
B/R.6.213	Move to full cost recovery for non-statutory highway works	Recharging the cost of officer time, not just the actual cost of work, for privately funded or part privately funded highway works.	H&CI	0	-25	-25	-25	-25	-100	-25	-25	-25	-25	-100	0	No	0.00	Green	↔	A new process was approved in July 2017 and is now in place. This includes an up front £500 admin fee and the recovery of actual cost upon completion of the work.	
B/R.6.214	Street Lighting - contract synergies	Annual saving from joint contract drafting with partners. This will not lead to any reduction in street lighting provision.	H&CI	0	0	0	0	0	-98	-98	0	0	0	-98	0	Yes	0.00	Green	↔	This has now been achieved following completion of the synergies work in 17/18.	
B/R.6.216	Street Lighting - conversion to LED	Saving on energy costs by introducing more energy efficient LED lights where there is a business case to do so.	H&CI	0	0	0	0	0	-95	0	0	-30	-65	-95	0	Yes	0.00	Green	↑	The deed of variation was signed and the LED stock delivered, with work commencing in April 2018.	
B/R.6.217	Redistribution of parking income	Use a greater proportion of on-street parking income to fund highways and transport works as allowed by current legislation.	H&CI	0	0	0	0	0	-500	-500	0	0	0	-500	0	Yes	0.00	Green	↔	This will take place at the start of the financial year and is a continuation of using the on-street account to fund highway services as per the legislation	
B/R.6.218	Contract Savings on Signals	Savings from a new contract for signals on the highway, which came into force in 2017, from retendering and energy efficiency.	H&CI	0	0	0	0	0	-100	-25	-25	-25	-25	-100	0	No	0.00	Green	↔	This will be achived as per the description and profiled across the financial year.	
B/R.6.219	Consumer information and advice	Trading Standards now have an alternative contract in place for the delivery of consumer information and advice. Previous arrangements are no longer needed.	E&E	0	0	0	0	0	-15	-15	0	0	0	-15	0	Yes	0.00	Green	↔	On track	

				Planned £000						Forecast £000											
				4,316	-6,837	-5,927	-5,936	-6,444	-38,317	-16,451	-2,961	-2,152	-6,285	-27,847	10,470						
Reference	Title	Description	Committee	Investment 18-19 £000	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 18-19	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving	Variance from Plan £000	Saving complete?	% Variance	RAG	Direction of travel	Forecast Commentary	Links with partner organisations
B/R.6.302	Renegotiation of the Waste PFI contract.	Major contract re-negotiation to achieve savings.	H&CI	80	0	0	0	0	-1,000	0	0	0	-100	-100	900	No	90.00	Red	↓	Contract changes that deliver full year savings totalling £1.3m have been identified however delays to reaching formal agreement with the contractor that will allow contract changes will result in a shortfall in delivered savings. £400,000 savings per year have been achieved but agreement to allow the remainder of the savings to commence has been delayed. General Purposes Committee considered in January and subject to agreement of variation with the contractor, it is anticipated now that the full £1.3m annual savings will be available from 1st April 2019 onwards on a recurring basis, resulting in a savings shortfall of approximately £900,000 this financial year.	
C/R.6.101	Shared Arrangements with Peterborough City Council	We are continuing to explore further opportunities to share activities and costs and learn from one another's best practice with Peterborough City Council	GPC	0	0	0	0	0	-300	-75	-69	-14	-20	-178	122	0	40.67	Amber	↔	£75k identified from shared Chief Exec £44k from Shared Head of IT&Digital £25k from Shared Head of BI Some other minor savings, but behind target at year end. Under review by Programme Board.	
C/R.6.102	Organisational Review	Review of organisational arrangements in a range of areas - a number of different streams including reviewing spans of management control in service structures, amendments to terms and conditions for staff and managing expenditure on business mileage.	GPC	0	0	0	0	0	-728	-70	0	0	-658	-728	0	0	0.00	Green	↔	£-70k redundancy saving in Adults Remainder made from 3 days mandatory unpaid leave - in-year saving	
C/R.6.105	Automation - Contact Centre, Front Door	Reduction in staff costs in service teams and Contact Centre from review of Customer Front Door across Cambridgeshire and Peterborough.	GPC	0	0	0	0	0	-100	0	-62	0	0	-62	38	0	38.00	Amber	↔	£62k permanent saving from contact centre. Remaining £38k in-year underspend in 18/19.	
C/R.6.106	Reduction in costs on Redundancy, Pensions & Injury budget	Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services.	GPC	0	0	0	0	0	-10	0	0	0	-10	-10	0	0	0.00	Green	↔	On track	
C/R.6.111	Efficiencies in Procurement Spend under £100k	To review spending below £100,000 in specific areas, with a view to ensuring the best possible contract and commercial terms are in place. This will include whether frameworks, bulk purchasing with other LGSS partners or smarter invoicing should be considered	GPC	0	0	0	0	0	-100	-36	0	-64	0	-100	0	0	0.00	Green	↔	£36k achieved from cleaning contract savings. Expecting to be able to use some savings from the Insurance contract for the rest. This saving will be made on larger contracts rather than on procurement under £100k.	
E/R.6.001	PH Contribution to Milage Element of Organisation Review Saving	As part of the Organisational Review (C/R.6.102) a cross cutting review of mileage allowances in 2017-18 was undertaken and areas where mileage could be reduced without impacting front line services were identified.	Health	0	-3	0	0	0	-3	-3	0	0	0	-3	0	Yes	0.00	Green	↔	Mileage saving. Budget reduced at budget prep.	
E/R.6.032	Miscellaneous Public Health Efficiencies	Reduction in public mental health budget of £7k, resulting from removal of non-recurrent set up costs spent in 2017/18 for the adult 'Keep Your Head' website and the post suicide bereavement service. This saving will not result in any reductions to services.	Health	0	-7	0	0	0	-7	-7	0	0	0	-7	0	Yes	0.00	Green	↔	On track	
E/R.6.033	Recommissioning Drug & Alcohol Treatment Services	Savings will be secured through the re-commissioning of the Cambridgeshire Adult Drug and Alcohol Treatment Services, which will enable transformational changes. The Drug and Alcohol Treatment Services are currently commissioned as separate services but from the same provider, and the integration of drug and alcohol services through a planned formal contractual arrangement will afford efficiency savings. The Drugs and Alcohol Joint Strategic Needs Assessment, (2016) indicated changes in needs requiring a new service model. Notably an aging long-term drug using population that enter and re-enter the Service may have complex health and social problems. These clients do not require intensive acute drug treatment services but more cost effective support services to ensure that they have good mental & physical health and other support needs. There will be a focus on recovery using cost-effective peer support models to avoid readmission	Health	0	0	0	-77	-77	-154	0	0	-77	-77	-154	0	Yes	0.00	Green	↔	Has been achieved through retendering of Drug & Alcohol contract from 1st October 2018	
E/R.6.034	Sexual Health Services - Changes to Delivery Model	There are proposals to transform aspects of the model of delivery for sexual health services, firstly through moving to online screening and postal samples for low risk patients who do not have symptoms of infection. Secondly through reviewing the 'hub and spoke' model for sexual health clinics, as many patients prefer to use the 'hubs' and there is low attendance at some 'spoke' clinics. Thirdly through providing oral contraception to low risk patients who are registered with a GP for one year only and then referring back to their GP.	Health	0	-35	-35	-35	-35	-140	-35	-35	-35	-35	-140	0	Yes	0.00	Green	↔	On track	
E/R.6.035	Integrated behaviour change services - efficiencies	It is proposed that these savings would be made within the commissioned Integrated Lifestyle and Behaviour Change Services, through efficiencies and transformation following the transfer of the CAMQUIT Stop Smoking Service to Everyone Health earlier this year, which would not affect front line services.	Health	0	-84	0	0	0	-84	-84	0	0	0	-84	0	Yes	0.00	Green	↔	On track	
E/R.6.037	Public Health Directorate - In house staff rationalisation	The public health business programmes team is currently undergoing a restructure, to ensure that business management support reflects the integration of the wider public health directorate across Cambridgeshire and Peterborough. This will result in removal of one post with a shared saving across the two authorities. The remainder of the saving will be achieved through a review of pending vacancies and income generation opportunities.	Health	0	-49	0	0	0	-49	-49	0	0	0	-49	0	Yes	0.00	Green	↔	Achieved through restructure.	



		Planned £000									Forecast £000											
		4,316	-6,837	-5,927	-5,936	-6,444	-38,317	-16,451	-2,961	-2,152	-6,285	-27,847	10,470									
Reference	Title	Description	Committee	Investment 18-19 £000	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 18-19	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving	Variance from Plan £000	Saving complete?	% Variance	RAG	Direction of travel	Forecast Commentary	Links with partner organisations	
E/R.6.038	Decreased demand for Stop Smoking Services	This proposal is for a saving of £28k to be made from stop smoking services. In recent years there have been decreased costs created from a fall in demand for services associated with the use of e-cigarettes and a smaller number of people who smoke in the county. The savings are because GPs and community pharmacists who provide the service are paid for each person they support to stop smoking and in addition an associated reduction in costs of medications which the majority of smokers use when they are making a quit attempt. This funding was originally allocated to an evidence based pilot harm reduction project. This aimed to support smokers from high risk groups in Fenland to quit by extending the period when support was provided for stopping smoking. The pilot however was unable to recruit sufficient numbers of smokers and it was discontinued.	Health	0	-7	-7	-7	-7	-28	-7	-7	-7	-7	-28	0	No	0.00	Green	↔	Saving reliant on fall in demand continuing.	0	
F/R.6.001	C&I Contribution to Mileage Element of Organisational Workforce Saving	As part of the Organisational Review (C/R.6.102) a cross cutting review of mileage allowances in 2017-18 was undertaken and areas where mileage could be reduced without impacting front line services were identified.	C&I	0	0	0	0	-3	-3	0	0	0	-3	-3	0	0	0.00	Green	↔	On track	0	
F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal F/C.2.119	C&I	0	-4	-5	-5	-5	-19	-4	-5	-5	-5	-19	0	0	0.00	Green	↔	Projected savings of £46k are forecast for the year 2018/19.	0	
F/R.6.109	Outcome Focussed Review of Property Services Delivery	Savings arising from Outcome Focused Review of property services approaches including: o Generating new income o Sharing teams/function with other partner organisation o Efficiencies within our business processes of the property team o Efficiencies within the annual running cost of our property portfolio	C&I	0	-86	-38	-38	-38	-200	-86	-114	0	0	-200	0	Yes	0.00	Green	↔	-86k saving funded from increased increased parking charges re Shire Hall car park (est. £126k) exceeding current budget of £40k -114k funded from reduced rates liability for Shire Hall  Permanent savings have been made but they are not related to the Outcome Focused Review of Property Services.	0	
F/R.6.110	Children's Centres - Building a new service delivery model for Cambridgeshire Communities	We want every child in Cambridgeshire to thrive and will target our prioritised targeted services for vulnerable children and young people. As an integral part of the Early Help Offer, our redesigned services will provide support to families when they really need them. We will provide a range of flexible services that are not restricted to delivery from children's centre buildings, in order to provide access to services when they are needed. We will also work in a more integrated way with partners across the 0-19 Healthy Child Programme, to provide comprehensive targeted support to vulnerable families. All of this will be supported by an effective on line resource tool as part of an improved on line offer for families. The saving will be achieved by re-purposing some existing children's centre buildings and streamlining both our management infrastructure and back office, associated service running and overhead costs. We intend to maintain the current level of front line delivery. A total saving of £900k is planned, with £249k from Buildings and Infrastructure costs. Of the £249k saving, £128k will be attributable to annual running costs of internally managed buildings and this budget is held by Corporate and Managed	C&I	0	-128	0	0	0	-128	-128	0	0	0	-128	0	0	0.00	Green	↔	Achieved in 2018/19	0	
G/R.6.004	Capitalisation of interest on borrowing	Through a change in the Council's accounting policy in 2017-18, the cost of borrowing within all schemes will be capitalised. This will help to better reflect the cost of assets when they actually become operational.	GPC	0	0	0	0	0	-319	0	0	0	-319	-319	0	0	0.00	Green	↔	On track	0	
A/R.7.101	Early Years subscription package	Proposal to develop Early Years subscription package for trading with settings.	Childrens	0	-4	-4	-4	-4	-16	-4	-4	-4	-4	-16	0	0	0.00	Green	↔	Saving achieved in 2018/19	0	
A/R.7.110	Learning Disability - Joint Investment with Health Partners in rising demand	Negotiating with the NHS for additional funding through reviewing funding arrangements, with a focus on ensuring Council investment in demand pressures re matched appropriately by the NHS.	Adults	0	-900	0	0	0	-900	-900	0	0	0	-900	0	0	0.00	Green	↔	On track	0	
B/R.7.118	Increase on-street parking fees	It is proposed to increase on-street parking fees to encourage visitors to Cambridge to use alternatives such as Park and Ride - the projected income will also therefore increase.	H&CI	0	0	0	0	0	-200	-50	-50	-50	-50	-200	0	Yes	0.00	Green	↑	H&CI committee has approved an increase to the charges for parking. The saving will be realised across the financial year.	0	
B/R.7.119	Improved Bus Lane Enforcement	We are installing more cameras to do more bus lane enforcement to keep traffic moving on our roads. Where people are caught driving in bus lanes we will enforce penalties.	H&CI	0	-100	-100	-100	-100	-400	-100	-100	-100	-100	-400	0	Yes	0.00	Green	↑	Phase two of the rollout is underway, with new site coming online this year. Income generated will be used to cover the cost of the bus lane enforcement provision, with any surplus reinvested into the upkeep of the public highway and associated assets.	0	
B/R.7.120	Highways Development Management - increase income forecast	Increased income from charges made to developers making applications. In previous years we have over achieved on our income forecast so this represents a more realistic forecast of financial impact of existing practice	E&E	0	0	0	0	0	-200	-50	-50	-50	-50	-200	0	No	0.00	Green	↔	Achieved in 2018/19	0	
F/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101.	C&I	0	0	-17	0	-18	-37	0	-17	0	-18	-35	2	0	5.41	Green	↔	On track	0	
F/R.7.105	Renewable Energy Soham - Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to repay financing costs. Links to capital proposal C/C.2.102 in BP 2016-17.	C&I	0	-1	0	0	0	-1	-1	0	0	0	-1	0	0	0.00	Green	↔	On track	0	
F/R.7.106	Renewable Energy Soham - Surplus to Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to surplus to repaying financing costs.	C&I	0	-4	0	0	0	-4	-4	0	0	0	-4	0	0	0.00	Green	↔	On track	0	
F/R.7.108	Solar PV - Surplus to Repayment of Financing Costs	Income generation resulting from installation of solar PV at a further 5 CCC non-school sites. Element surplus to repayment of financing costs.	C&I	0	-1	0	0	0	-1	-1	0	0	0	-1	0	0	0.00	Green	↔	On track	0	
F/R.7.109	Additional commercial return on the Farms Estate	We will Invest further in our farms estates to achieve additional income from commercial opportunities	C&I	0	0	-200	0	-300	-500	0	-200	0	-300	-500	0	0	0.00	Green	↔	This will come from a combination of additional agricultural rent, anticipated solar farm return and cost savings by capitalising farmhouse refurbishments.	0	
F/R.7.110	Commercial Investments	Develop a portfolio of strategic investments which able to provide an income return. Will be developed through commercial research into options available, appropriate balanced portfolio and the extent of risk	C&I	0	0	-1,567	-1,567	-1,566	-4,700	0	0	0	-1,300	-1,300	3,400	0	72.34	Red	↔	Commercial acquisition made during Summer 2018, generating significant additional income. C&I Investment group meeting regularly to consider and progress further investments	0	

				Planned £000					Forecast £000														
				4,316	-6,837	-5,927	-5,936	-6,444	-38,317	-16,451	-2,961	-2,152	-6,285	-27,847	10,470								
Reference	Title	Description	Committee	Investment 18-19 £000	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 18-19	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving	Variance from Plan £000	Saving complete?	% Variance	RAG	Direction of travel	Forecast Commentary	Links with partner organisations		
F/R.7.111	External Funding	Identifying and leveraging in new external funding to support CCC initiatives. This might come from a range of approaches, e.g. - Advertising - Sponsorship - Lottery - Crowdfunding - Social Finance - Private Investors - Timebanking We also know that our business partners, and especially the Cambridge Ahead group, are keen to invest in Cambridgeshire. They are particularly interested in initiatives which support families (i.e. their staff) or which increase the range of skills in the local workforce, or which have demonstrable social value.	C&I	40	0	0	-80	-120	-200	0	0	-50	-100	-150	50	0	25.00	Amber	↔	Additional income was not achieved through this scheme in 2018/19 although work continues in 2019/20	0		
F/R.7.112	Reviewing and Repositioning Existing Traded Services	Service Reviews have been initiated in a number of existing traded services areas to identify greater profit potential with different operating models. The reviews cover the existing Outdoor Centres, Professional Centre Services, Education ICT and Cambridgeshire Music Services	C&I	0	-125	-125	-125	-125	-500	0	0	0	0	0	500	0	100.00	Black	↔	Not achieved in 2018/19. Replanned and reduced in Business Planning going forward	0		
F/R.7.113	Invest to Save Housing Schemes - Income Generation	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities.	C&I	1301	0	-1,408	-1,408	-1,407	-4,223	0	0	-77	-1,963	-2,040	2,183	0	51.69	Red	↔	Although some delays to the timescale of advancing loans, and to the value of land (as externally assessed) at the point of transfer, all planned sites have now been transferred to This Land securing interest receivable funding during 2019-20	0		

**AUDIT AND ACCOUNTS COMMITTEE FORWARD AGENDA PLAN**

<b>MEETING DATE REPORT DEADLINES AND REPORT TITLES</b>	<b>Frequency of report</b>	<b>Corporate/Service Director /external officer responsible</b>	<b>Report author</b>
<b>COMMITTEE DATE 2.00 P.M. TUESDAY 11<sup>TH</sup> JUNE 2019</b>			
<b>Deadline for reports to be with Democratic Services: Mid-day Thursday 30<sup>th</sup> May</b>			
<b>Draft Accounts 2018-19</b>	Annual Report	Head of Integrated Finance LGSS Finance	Jon Lee / Martin Savage / Tracy Pegram
<b>Draft Pension Accounts</b>	Annual Report		
<b>Annual Governance Statement</b>	Annual Report	LGSS Chief Internal Auditor / Audit and Risk Manager	
<b>Internal Audit Annual Report</b> Including	Annual Report	LGSS Chief Internal Auditor / Audit and Risk Manager	
<ul style="list-style-type: none"> <li>An Update on Schools Payroll and Safe Recruitment as the revised target date of 31<sup>st</sup> March was after the Committee</li> <li>Progress Update on Systems Assurance ERP Gold - request</li> </ul>			Sarah Haig / Martin Cox

from Chairman as he was not happy to wait with no update until the May meeting.			
<b>Debt Recovery Level of outstanding Debt – Update Report</b>	Further update requested	Head of Revenue and Benefits	Robin Bates with guidance from Tom Kelly
<b>COMMITTEE DATE 2.00 P.M. MONDAY 29<sup>TH</sup> July (Changed from 30<sup>th</sup> July at the March meeting)</b>			
<b>Deadline for reports to be with Democratic Services: Mid-day Tuesday 16<sup>th</sup> July.</b>			
<b>Quarterly Report in respect of Consultancy expenditure and update on compliance with the policy</b>	Quarterly Report requested at the November 2018 meeting	HR / Procurement	<i>Camilla Rhodes – Dan Ashman to present</i>
<b>Review of the Implementation of the ‘Change For Children Programme’ including The Development Of Shared Services Across Cambridgeshire And Peterborough</b>	Further progress update requested at the November 2018 Committee	Service Director Children’s Services and Safeguarding	Lou Williams
<b>Community Transport Action plan Updates including potentially</b> <ul style="list-style-type: none"> <li>Freedom of information Update</li> </ul>			
<b>Internal Audit Progress Report</b> Including Progress of Implementation of Management Actions and Internal Audit Plan Update) including also potentially <ul style="list-style-type: none"> <li>Use of Consultants Policy – Action Plan Update</li> </ul> <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 other than the meeting when the IA Annual Audit Plan Report (May) is received or the special meeting to consider the draft accounts (June)	LGSS Chief Internal Auditor / Audit and Risk Manager	Neil Hunter / Mairead Claydon



<b>Integrated Resources and Performance Report</b>	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
<b>Final Accounts</b>	Annual Report	Head of Integrated Finance	Jon Lee / Martin Savage / Tracy Pegram
<b>ISA 260 Report Accounts</b>	Annual Report	External Audit	Mark Hodgson Associate Partner Ernst & Young LLP
<b>ISA 260 Report – Pension Fund Accounts</b>	Annual Report		Mark Hodgson Associate Partner Ernst & Young LLP
<b>Annual Risk Report</b>	Annual Report	Amanda Askham / Tom Barden and Sue Norman Internal Audit	
<b>Training Plan</b>  As the Committee has completed its main Training the Chairman has agreed that there is no need for a review of training Annual Report and this agenda item can be removed. Training is now undertaken as and when required.	Yearly review	LGSS Chief Internal Auditor / Audit and Risk Manager	Duncan Wilkinson / Mairead Claydon
<b>COMMITTEE DATE 2.00 P.M. TUESDAY 24<sup>TH</sup> SEPTEMBER 2019</b>			
<b>Deadline for reports to be with Democratic Services:</b>			

<b>Mid-day Wednesday 11<sup>th</sup> September</b>			
<b>Annual Committee Report for Council</b>	Annual	LGSS Chief Internal Auditor / Audit and Risk Manager	Neil Hunter / Mairead Claydon
<b>Update on the Highway Records Assets</b>	Six monthly update	Asset Information Manager	
<b>Internal Audit Progress Report</b> 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 other than the meeting when the IA Annual Audit Plan Report (May) is received or the special meeting to consider the draft accounts (June)	LGSS Chief Internal Auditor / Audit and Risk Manager	Neil Hunter / Mairead Claydon
			Sarah Haig
<b>Integrated Resources and Performance Report</b>	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
<b>Statement of Accounts Process – Action Plan Update</b>	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker
<b>COMMITTEE DATE 2.00 P.M. THURSDAY 28<sup>TH</sup> NOVEMBER 2019</b>			
<b>Deadline for reports to be with Democratic Services:</b>			

<b>Mid-day Friday 15<sup>th</sup> November</b>			
<b>Safer Recruitment in Schools Update – Bi-Annual update</b>	Bi-annual	Senior Education Adviser	Chris Meddle
<b>Quarterly Report in respect of Consultancy expenditure and update on compliance with the policy</b>	Quarterly Report requested at the November 2018 meeting	HR / Procurement	
<b>Internal Audit Progress Report</b> 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 other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	LGSS Chief Internal Auditor / Audit and Risk Manager	Neil Hunter / Mairead Claydon
<b>Integrated Resources and Performance Report</b>	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
<b>Statement of Accounts Process – Action Plan Update</b>	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker
<b>COMMITTEE DATE 2.00 P.M. TUESDAY 28<sup>TH</sup> JANUARY 2020</b>			

<b>Deadline for reports to be with Democratic Services: Mid-day Wednesday 15<sup>th</sup> January</b>			
<b>Internal Audit Progress Report</b> 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 other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	LGSS Chief Internal Auditor / Audit and Risk Manager	Neil Hunter / Mairead Claydon
			Sarah Haig
<b>Integrated Resources and Performance Report</b>	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
<b>COMMITTEE DATE 2.00 P.M. TUESDAY 24<sup>TH</sup> MARCH 2020</b>			
<b>Deadline for reports to be with Democratic Services: Mid-day Wednesday 11<sup>TH</sup> March 2020</b>			
<b>Update on the Highway Records Assets – review whether still required</b>	Six monthly update	Asset Information Manager	<i>Camilla Rhodes – Dan Ashman to present</i>

<b>Annual Risk Report</b>	Annual Report	Sue Norman Internal Audit	
<b>Quarterly Report in respect of Consultancy expenditure and compliance with the Policy</b>	Quarterly Report requested at the November 2018 meeting	HR/ Procurement	
<b>Estates and Building Maintenance Inspection Programme Update</b>	Annual Report	John Mac Millan	
<b>Internal Audit Progress Report</b> 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 other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	LGSS Chief Internal Auditor / Audit and Risk Manager	Neil Hunter / Mairead Claydon
<b>Community Transport – 12 month on review of the consequences of recommendations on membership following implementation of Membership changes from March 2019</b>	Request from November 2018 Committee	Assistant Director of Culture and Community Services	Christine May
<b>Integrated Resources and Performance Report</b>	Each Cycle - would always be one that had already been through General Purposes Committee	Chief Finance Officer	Tom Kelly / Rebecca Barnes
<b>Statement of Accounts Process – Action Plan Update</b>	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker

<b>Transformation Fund Monitoring Report</b>	Quarterly Update		Julia Turner
<b>COMMITTEE DATE 2.00 P.M. TUESDAY 2nd JUNE 2020</b>			
<b>Deadline for reports to be with Democratic Services: Mid-day Thursday 21<sup>st</sup> May 2020</b>			
<b>Statement of Accounts Process – Action Plan Update</b>	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Jon Lee / Michelle Parker
<b>Section 106 Update Report</b>	Annual	Deputy Section 151 Officer	
			Tom Kelly
<b>Quarterly Report in respect of Consultancy expenditure and compliance with the Policy</b>	Quarterly Report requested at the November 2018 meeting	HR/ Procurement	Sarah Haig
<b>Internal Audit Progress Report</b> 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 other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	LGSS Chief Internal Auditor / Audit and Risk Manager	Neil Hunter / Mairead Claydon
<b>Integrated Resources and Performance Report</b>	Each Cycle -	Chief Finance Officer	Tom Kelly / Rebecca

	would always be one that had already been through General Purposes Committee		Barnes
<b>COMMITTEE DATE 2.00 P.M. TUESDAY 16<sup>th</sup> June 2020</b>			
<b>Deadline for reports to be with Democratic Services: Mid-day Wednesday 3<sup>rd</sup> June 2020</b>			
<b>Draft Accounts 2019-2020</b>			<b>Jon Lee / Martin Savage / Tracy Pegram</b>
<b>Annual Governance Statement</b>	Annual Report	LGSS Chief Internal Auditor / Audit and Risk Manager	
<b>Internal Audit Annual Report</b> Including	Annual Report	LGSS Chief Internal Auditor / Audit and Risk Manager	

## **REPORTS TO BE PROGRAMMED**

<b>BDO External Audit Final report on investigations into challenges to the 2016/17 and 17-18 Accounts</b>		Council's previous External Auditors - BDO	Lisa Clampin
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**Update 13<sup>th</sup> May 2019**

