

## **LGSS Audit & Risk Management Service**

# **Central Library Enterprise Centre**

Client CCC

Issued to Audit and Accounts Committee

Date 15<sup>th</sup> September 2015

Lead Auditor Neil Hunter

Status of report Draft

Audit and Accounts Committee Date 22<sup>nd</sup> September 2015

## **1. Executive Summary**

### **1.1 Background**

- 1.1.1 On the 21<sup>st</sup> July 2015 Full Council passed a motion from Councillor Roger Hickford. This proposed that the Audit and Accounts Committee undertake a review of the process by which the Cambridge Library Enterprise Centre (CLEC) proposals emerged and were developed, to identify recommendations on how the process could be improved. Internal Audit were invited by the Chair of the Audit and Accounts Committee to undertake this review.
- 1.1.2 The motion passed at Full Council also requested that the Audit and Accounts Committee undertake a review of the Spokes position within the Committee system and how it could be more effective. This review has been carried out separately, by the Chair of the Audit and Accounts Committee.
- 1.1.3 The objective of this report has therefore been to identify how processes at Cambridgeshire County Council may be improved for the future; it is not a review of the decisions which were made in relation to the Enterprise Centre. The Terms of Reference for the report have been included for reference at Appendix D.

### **1.2 Context**

- 1.2.1 Cambridgeshire County Council is under severe financial pressure. Having made £165m of budget cuts over the past four years, the Council now needs to make a further £140m cuts over the next five years.
- 1.2.2 Given the major cuts to services that the Council is facing as a result of these financial pressures, officers have been encouraged to take an innovative and entrepreneurial approach to finding savings and developing new ways of operating services.
- 1.2.3 It should also be noted for context that in May 2014, Cambridgeshire County Council transitioned from a Cabinet system to a Committee model of governance. This entailed a change in reporting arrangements for officers, with services reporting work undertaken to Lead Members (Spokes) from each political party, rather than to a single portfolio holder.
- 1.2.4 A timeline of events relating to the development of the Cambridge Library Enterprise Centre proposals has been included at Appendix C, for reference.

## **2. Management Summary**

### **2.1 Main conclusions**

2.1.1 As part of this review, the Internal Audit team reviewed submissions from members and the public; conducted interviews with relevant officers; met with members to discuss issues raised; and reviewed key documents and emails. As a result, Internal Audit has identified:

- No criminality or impropriety by officers or members;
- Officers consistently working with the best interests of the Council at heart;
- Some member involvement at key stages;
- No breach of any key process during the development of the CLEC proposals.

2.1.2 Cambridgeshire County Council is, however, a learning organisation which seeks to continually improve its processes and procedures. A retrospective review of any major project will always find areas for improvement, and as a result of the audit work carried out into the CLEC proposals, seven key opportunities for improvement have been identified:

- 1. Commercial Proposals Protocol**
- 2. Confidentiality**
- 3. Project Management**
- 4. Options Appraisal, Market Research and Procurement**
- 5. Engagement with Members**
- 6. Public Consultation**
- 7. Business Cases**

2.1.3 The present policy of conducting checks on companies with which the Council is seeking to do business is appropriate and proportionate. Where it is an organisation and not an individual with which the Council will be entering into a contractual arrangement, the key issue for the authority is whether that organisation is sound, secure and safe as an entity. Given the number of contracts the Council enters into each year, conducting background checks on the individual representatives of every company the Council does business with would not be practical; nor would it represent best use of the Council's limited resources. There are many businesses that employ staff, and indeed directors, with a history of failed business ventures behind them, some of whom go on to be extremely successful.

## **2.2 Main recommendations**

- 2.2.1 For each of the improvement areas set out above, recommended actions to address the issues identified have been set out in the accompanying action plan. When implemented, these will positively improve the control environment and aid the Authority in its ability to effectively manage its risks.

## **2.3 Acknowledgement**

- 2.3.1 We would like to take this opportunity to thank all Councillors and members of the public who took the time to submit their feedback to the review, and those Councillors who met with members of the team to discuss the issues raised. We would also like to thank all officers whom we contacted during the course of this review for their time and assistance.

### 3. Action Plan

*Where timescales are not yet specified, these are to be agreed with officers for the final version of this report.*

	Key Actions	Timescale & Owner
1.	<p><b><u>Commercial Proposals Protocol:</u></b></p> <p>Increasingly, the public sector is competing to attract inward investment, to bring jobs and other economic opportunities to their local area. Cambridgeshire County Council will need to develop commercial skills to ensure innovation and inward investment opportunities are maximised, while still maintaining the principles of transparency and openness. A clear protocol is required to enable officers to develop commercial proposals which involve working alongside the private and voluntary sectors to enhance services and minimise the impact of austerity cuts on the public.</p> <p>Consequently, we recommend that the following action is undertaken:</p> <ul style="list-style-type: none"> <li>• An outline Commercial Proposals protocol has been developed (see Appendix A), to enable officers to develop commercial proposals which involve working alongside the private and voluntary sectors. Audit recommend that this draft protocol is referred to the General Purposes Committee for their consideration and to agree a final version, which officers must follow if they are approached by or approach an external organisation with a commercial proposal.</li> </ul>	<p><b>General Purposes Committee</b> <b>31/12/2015</b></p>
2.	<p><b><u>Confidentiality:</u></b></p> <p>Although Confidentiality Agreements are an essential tool in many circumstances, clear guidance should be in place to establish the content of agreements and the circumstances under which they are appropriate. This guidance should establish clear lines of authorisation for entering into confidentiality agreements, which should include members, as well as a process for recording all such agreements. The guiding principle for the authority must be to maximise the extent to which information may be shared with members and the public.</p>	

	Key Actions	Timescale & Owner
	<p>Both officers and members would benefit from the support of clear guidance on how to handle requests to enter into non-disclosure agreements, and how to deal with confidentiality issues throughout the process and at Spokes meetings. Consequently, we recommend that the following actions are undertaken:</p> <ul style="list-style-type: none"> <li>• An outline Confidentiality Agreements Policy has been developed (see Appendix B), to enable officers to develop commercial proposals which involve working alongside the private and voluntary sectors. Audit recommend that this draft protocol is referred to the General Purposes Committee for their consideration and to agree a final version, which officers must follow.</li> <li>• Current Council guidance for members is not entirely clear with regards to items which are taken to Spokes meetings and marked confidential; while it appears that there is an expectation that the relevant Executive Director should make it clear whether Spokes can circulate information to their groups, this is not clearly set out in the relevant guidance on the role of Spokes. The guidance should therefore be updated to reflect this.</li> <li>• The exclusion of access by the public to meetings where it is considered that confidential information would be disclosed should be kept to a minimum. Where the nature of the proceedings means that it would be possible to have a public discussion regarding a point(s) of principle on a matter, followed by a confidential discussion regarding specific confidential details, this approach should be adopted.</li> </ul>	<p><b>General Purposes Committee</b> <b>31/12/2015</b></p> <p><b>Monitoring Officer</b> <b>30/11/2015</b></p> <p><b>Monitoring Officer</b> <b>30/11/2015</b></p>
3.	<p><b><u>Project Management:</u></b></p> <p><b>The impact of budget cuts means that the Council is likely to continue to engage in projects alongside the private sector. Project management methodology in use at Cambridgeshire should be challenged and, if necessary, refined to ensure that it is applicable to projects undertaken with commercial partners.</b></p> <p>The review identified that there is scope for a number of improvements to the Council's project management practice. Consequently, we recommend that the following actions are undertaken:</p>	

	Key Actions	Timescale & Owner
	<ul style="list-style-type: none"> <li>• A review should be conducted of project management methodology in use at Cambridgeshire, to ensure that it is comprehensive and relevant to projects undertaken with commercial partners, and states that every individual project should have clear governance arrangements in place, including a project team with formal responsibilities for progressing the project, and that respective Committees should be regularly updated on the projects taking place in their area.</li> <li>• The Council's current Gateway Review Process functions as a system for resource allocation and prioritisation. The process does not include any provision for peer review or challenge; it does not require circulation of a Business Case for comment; and it focuses purely on the initiation of a project. This means that review of projects which are underway but experiencing delays or overruns is undertaken only by officers who are internal to the service in which the project is taking place. Internal Audit recommend that a review of the Gateway Review Process and project management protocols should be conducted, to ensure that there is a robust process for independent review and challenge of projects undertaken by the Council, which enables comment and challenge from officers outside the service area in which the project is taking place, and from appropriate members.</li> <li>• Services which receive Gateway Review forms should respond with their comments within the allotted time. Where responses are not received from services even after chasing by the Service Transformation Team, this should be recorded by the team and reviewed on a six-monthly basis, to enable problem areas to be identified and issues escalated to the appropriate Service Director.</li> <li>• Where a project is managed jointly by Cambridgeshire County Council and an external partner, Cambridgeshire should always maintain and regularly review an internal risk register that focuses on the risks which are specific to the Council, even if this is in addition to a shared risk register for the project.</li> <li>• When projects are in development, the sensitivity of the Purdah period should be taken into account in project timelines.</li> </ul>	<p><b>Review of project management methodology: Director: Customer Service &amp; Transformation 01/02/2016</b></p> <p><b>Review to be undertaken by SMT 01/02/2016</b></p> <p><b>Director: Customer Service &amp; Transformation 31/12/2015</b></p> <p><b>Updated guidance to be included in the review of project management methodology (Director: Customer Service &amp; Transformation 01/02/16); responsibility for implementation lies with the Senior Responsible Officer (SRO) for each project/programme.</b></p>

	Key Actions	Timescale & Owner
4.	<p><b><u>Options Appraisal, Market Research &amp; Procurement:</u></b></p> <p><b>Options appraisals should be undertaken at the earliest opportunity in deciding whether proposals may be worth pursuing, and should be subject to continued challenge throughout the process by officers and, where appropriate, members, as new information becomes available and the market changes.</b></p> <p>The review identified that officers would benefit from further guidance relating to options appraisal, market research and procurement issues. Consequently, we recommend that the following actions are undertaken:</p> <ul style="list-style-type: none"> <li>• Officers would benefit from further guidance regarding options appraisals. In cases where it is established that a service concession means that tendering is not required, Best Value may be established through conducting a thorough options appraisal. The guidance should include the following key points: <ul style="list-style-type: none"> <li>➤ Basic market research must be conducted by Council officers when considering new commercial proposals, at the initial stages of considering whether to pursue a project and before work begins to develop a full Business Case.</li> <li>➤ On the basis of the research carried out, options appraisals should be drawn up; again this must be undertaken at the very earliest stages of a project.</li> <li>➤ Options appraisals and supporting market research must be continually challenged throughout the process of a project, and should be reactive to market changes and new information becoming available.</li> <li>➤ Market research should always involve a thorough review of: whether there is already any</li> </ul> </li> </ul>	<p><b>Updated guidance to be included in the review of project management methodology (Director: Customer Service &amp; Transformation 01/02/16); responsibility for implementation lies with the Senior Responsible Officer (SRO) for each project/programme.</b></p>

	Key Actions	Timescale & Owner
	<p>similar provision available in the local market; the potential impact on the local market of the proposals; and consideration of whether there is likely to be sustained demand for the proposed services.</p> <ul style="list-style-type: none"> <li>➤ All options appraisals should include thorough exploration of the 'do nothing' option.</li> <li>➤ Options should be appraised in light of their financial benefits; their non-financial benefits; their impact on the organisation and stakeholders; the risks relating to each option; and their resource requirements, in line with the CCC Business Case template.</li> <li>➤ Options presented to Committees must be comparable; when financial projections are produced to show the financial effect of different options over a number of years, it is crucial that the figures for all options are prepared on the same basis. Similarly, the analysis of risks and benefits for each possible option should be consistent. Officers would benefit from referring to the extant Cambridgeshire County Council Business Case template, which includes templates for options appraisal.</li> <li>➤ The opportunity cost of each project must be shown as part of the options appraisal, i.e. if existing income is foregone, this must be taken into account.</li> <li>➤ Where options are considered but rejected at an early stage and not worked up in detail, the reasons for this should be set out clearly.</li> <li>• All risks relating to a project should be reported to the relevant Committee even where officers feel that these risks are likely to be tolerable, to enable members to make an informed decision to accept or reject the risk.</li> <li>• The expected impact of commercial proposals on the current local market should always be reported to the relevant Committee, to enable members to make an informed decision.</li> </ul>	<p><b>Updated guidance to be included in the review of project management methodology (Director: Customer Service &amp; Transformation 01/02/16); responsibility for implementation lies with the Senior Responsible Officer (SRO) for each project/programme.</b></p>

	Key Actions	Timescale & Owner
5.	<p><b><u>Engagement with Members:</u></b></p> <p>Now that the transition from the Cabinet system to a Committee model of governance is complete, both officers and members need to ensure that new ways of working are fully embedded. Whilst Committees only take papers on decisions, due to their high workload, progress on key projects and negotiations should be a standing agenda item for Spokes meetings. Spokes can then brief their Group accordingly, and this will ensure that members are able to engage throughout the process of developing major projects. Additionally, there needs to be further guidance available for officers and members setting out what constitutes a key decision.</p> <p>The following recommendations have been identified to improve the processes by which officers engage with members:</p> <ul style="list-style-type: none"> <li>• It is recommended that a review is undertaken of any remaining projects and proposals which were initiated under the previous Cabinet system, to confirm that all such projects have now submitted a report to the relevant Committee or Spokes meeting, and that the appropriate members are therefore aware of all projects which are underway.</li> <li>• Additional guidance regarding what constitutes a Key Decision should be produced, particularly with regards to the question of what constitutes “significant” impact on the community living or working in an area of Cambridgeshire. Guidance should also clearly state that if there is any doubt regarding whether or not a decision should be considered a Key Decision, officers should contact the Monitoring Officer. Key Decisions must be advertised in the Council’s Forward Plan as per the procedure set out in the Constitution (at 4.2.13).</li> <li>• Where projects of a commercial nature are underway, but have not yet progressed to the point of requiring a decision paper to be taken to the relevant Committee, updates on progress should be a standing agenda item for Spokes meetings, to enable continued member oversight and engagement with the development of major projects.</li> <li>• When reporting to Committee regarding proposed projects which involve working with an external organisation, members should be provided with sufficient information about the proposed partner</li> </ul>	<p><b>Democratic Services Manager 31/12/2015</b></p> <p><b>Monitoring Officer 31/12/2015</b></p> <p><b>Updated guidance to be included in the review of project management methodology (Director: Customer Service &amp; Transformation 01/02/16); responsibility for implementation lies with the Senior Responsible Officer (SRO) for each project/programme.</b></p>

	Key Actions	Timescale & Owner
	<p>organisation to enable them to come to an informed decision, including information on due diligence which has been carried out in relation to the organisation.</p> <ul style="list-style-type: none"> <li>As per the Council's Constitution, local members should be kept informed about matters affecting their divisions during the formative stages of policy development.</li> <li>Spokes must be briefed on proposals in time to consult with their Group members.</li> <li>If a proposal is received positively at a Spokes meeting but, upon discussing the proposal further with their group, Spokes identify that there are concerns or issues which are likely to prohibit their party's support for the proposal at Committee, it would be useful for members to communicate this with the key officers concerned, who will then have an opportunity to address any concerns and provide additional information to the Committee meeting.</li> <li>Democratic Services has conducted annual training for Committee Chairs, Vice Chairs and Spokes on the 25<sup>th</sup> August 2015, regarding the respective roles and responsibilities of each post. Following this report, Democratic Services are requested to review the content of this training and make it available to all members, for reference.</li> <li>This review has identified that members require a common understanding of key processes for challenge, including the process by which they may submit items for consideration at Spokes and Committee meetings, how to initiate a call-in, and the question of whether a decision may be rescinded by a Committee or whether this is the responsibility of Full Council. Democratic Services are requested to provide additional training and resources for members, to address these points.</li> </ul>	<p><b>As above.</b></p> <p><b>As above.</b></p> <p><b>General Purposes Committee 30/11/2015</b></p> <p><b>Democratic Services Manager 30/11/2015</b></p> <p><b>Monitoring Officer &amp; Democratic Services Manager 31/12/2015</b></p>
6.	<p><b><u>Public Consultation:</u></b></p> <p><b>Officers will always need to conduct work on new proposals before consultation with the public is possible, but the philosophy of the Council must be to engage with the public as soon as possible. The public and their contributions should be considered a valuable resource. Public consultation must feed into the Community Impact Assessment for all projects, which must be made available to the relevant Committee for their consideration as part of the decision-making</b></p>	<p><b>Member Review Group &amp; Research and Performance Team Manager 01/02/2016</b></p>

	Key Actions	Timescale & Owner
	<p><b>process.</b></p> <p>The following recommendations have been identified to improve transparency and the processes by which officers consult with the public:</p> <ul style="list-style-type: none"> <li>• A Member Review Group is currently looking at the County Council's approach to consultation, with a view to revising the available advice and guidance, and member involvement. The legal requirements around consultation have recently been reviewed with Legal Services, as a result of which the Council's Research and Performance team will be running a member seminar on November 13<sup>th</sup> on the topic, to update member understanding. As part of this review, it is recommended that further guidance is made available to officers which gives additional information on: <ul style="list-style-type: none"> <li>➤ Circumstances under which the Council would expect public consultation to take place prior to a decision being made by Committee;</li> <li>➤ Guidance on when consultation should be carried out in relation to the signing of contracts;</li> <li>➤ Legal requirements around consultation;</li> <li>➤ Guidance on the duration, timing and format of consultation which might be expected in different circumstances.</li> </ul> </li> <li>• Guidance should also be made available for the public, to clarify the level, duration and timing of public consultation they can expect from the Council in relation to different types of decision to be made.</li> <li>• Plans for public consultation on Council projects should be discussed at Spokes and with the relevant local member(s), to enable members to give their input on the level of consultation required, and the milestones at which the community and other stakeholders should be engaged.</li> <li>• Consultation on projects must be held at a sufficiently early stage to be meaningful in shaping the proposed projects.</li> </ul>	<p><b>Research &amp; Performance Team Manager 01/02/2016</b></p> <p><b>Updated guidance to be included in the review of project management methodology (Director: Customer Service &amp; Transformation 01/02/16); responsibility for implementation lies with the Senior Responsible Officer (SRO) for each project/programme.</b></p> <p><b>As above</b></p> <p><b>As above</b></p>

	Key Actions	Timescale & Owner
	<ul style="list-style-type: none"> <li>When a Key Decision is going to be made, information regarding consultation carried out and the results obtained needs to be available to members at the point that they are requested to make the decision, even if this means that a two-stage approach to consultation needs to be taken, with the public consulted first in a general way about proposals and then secondly about the detail of the proposals. Where this two-stage approach is taken, it must be ensured that final decisions are not taken with regards to the detailed proposals until consultation has been completed.</li> <li>Committees should be given the details of proposed public consultation in relation to decisions which they are being asked to make, specifically the timing and duration of the consultation, and the level of input which the public will be able to make.</li> <li>Where projects are included in the Council's Business Plan in the knowledge that there is a possibility that they will be carried out by or in partnership with a commercial or third sector organisation, this should be made clear in the description of the scheme in the Business Plan.</li> <li>Public consultation must feed into the Community Impact Assessment for all projects, which must be made available to the relevant Committee for their consideration as part of the decision-making process.</li> </ul>	<p><b>As above</b></p> <p><b>As above</b></p>
7.	<p><b><u>Business Cases:</u></b></p> <p><b>Robust individual Business Cases must be produced for new commercial proposals, and be subject to challenge from the appropriate professional officers within the Council, and by members.</b></p> <p>Cambridgeshire County Council has a number of guidance documents which are intended to assist staff in the preparation of robust Business Cases for all projects. This review has identified the following recommendations to ensure that these resources are used to best effect.</p> <ul style="list-style-type: none"> <li>The Council's standard Business Case template should be completed for all projects (see standard template at Appendix E).</li> </ul>	<p><b>Updated guidance to be included in the review of project management methodology (Director: Customer Service &amp; Transformation 01/02/16);</b></p>

	Key Actions	Timescale & Owner
	<ul style="list-style-type: none"> <li>When reporting to Committee regarding proposed projects, officers should either provide the Business Case itself as an appendix to the report or ensure that the high-level headings in the Council's Business Case template are all covered. If an area of the template is deemed not to be relevant to the project in question, this should be highlighted to members. If the project is already underway, the current risk log for the project should also be provided to members.</li> <li>As per the Council's Scheme of Financial Management (s.5), any new revenue or capital project costing more than £160,000 shall be appraised as to its financial, human resources, property and economic consequences and the appraisal approved by the relevant Strategic Finance Manager before detailed budgetary provision is made. The completion of this appraisal process should be confirmed in reporting to the relevant Committee.</li> <li>Officers should be reminded of the Business Case template and other key project management resources available, through an awareness-raising exercise on the CamWeb staff intranet.</li> </ul>	<p><b>responsibility for implementation lies with the Senior Responsible Officer (SRO) for each project/programme.</b></p> <p><b>As above</b></p> <p><b>As above</b></p> <p><b>As above</b></p>

## **Appendix A**

### **Outline Commercial Proposals Protocol**

#### **1. Introduction:**

- 1.1 Cambridgeshire County Council is committed to achieving best value for money, while maintaining the principles of transparency and openness. In the current economic climate, the Council must seek to maximize innovation and inward investment opportunities for the county.

#### **2. Purpose:**

- 2.1 This protocol sets out the appropriate procedure for officers to follow in cases where Cambridgeshire is approached by or approaches an external organisation with a commercial proposal.
- 2.2 This protocol should be used alongside other protocols, guidance and policy relating to procurement, partnership working and Member engagement.

#### **3. Delegation of Authority:**

- 3.1 In line with the Council's Scheme of Financial Management, maximum authorisation limits for officers seeking to procure goods and services are set as follows:
- Up to £5,000 – Officers at Scale 5 to SO2;
  - Up to £50,000 – Officers at MB1 to MB3;
  - Up to £150,000 – Officers at MB4 to HS2;
  - Up to £500,000 – Officers at HS3 to Director C;
  - Unlimited – Chief Executive, Executive Directors, Service Director Customer Service and Transformation and Chief Finance Officer.
- 3.2 Any decision to enter into a commercial arrangement following a specific approach made to the Council by a private company must be made in consultation with members, if the total value of the transactions relating to the arrangement (income or expenditure) is £5,000 or more.
- 3.3 Any decision to enter into a commercial arrangement following a specific approach made to the Council by a private company is to be considered a Key Decision if the total value of the transactions relating to the arrangement (income or expenditure) is £500,000 or more over five years.
- 3.4 Where this protocol is not followed, an exemption report outlining the reasons for this should be provided to the Monitoring Officer for approval.

#### **4. Procedure:**

- 4.1 Minutes must be taken of all meetings and discussions with external organisations regarding commercial proposals.
- 4.2 The relevant Committee Chair must be informed of all commercial proposals which are put to the Council by private or voluntary sector organisations. The Chair and the Executive Director may then agree on the appropriate time to take the proposals to Spokes for an initial reaction.
- 4.3 Prior to undertaking further work on the proposal, the Council's standard due diligence checks must be carried out.
- 4.4 Officers should consult Legal Services; Finance; Procurement; and Property at the very earliest stages of reviewing a commercial proposal, for advice and guidance on key considerations which must be taken into account.
- 4.5 Market research must be conducted by Council officers at the initial stage of reviewing a commercial proposal, and should include consideration of:
  - Whether there is already any similar provision available in the local market;
  - The potential impact of the proposal on the local market;
  - Whether there is likely to be sustained demand for the proposed services.
- 4.6 On the basis of the market research conducted, an initial options appraisal should be drawn up. As a minimum, this should compare the proposal with the 'do nothing' option and the possibility of attempting a similar in-house provision. Options should be appraised in light of:
  - Their financial benefits;
  - Their non-financial benefits;
  - Their impact on the organisation and stakeholders, with the assessment of this being informed by initial public consultation;
  - The risks relating to each option;
  - and their resource requirements.
- 4.7 At this stage, if it is the opinion of officers that the commercial proposal represents the best value for the Council and local residents, a report should be taken to Committee outlining the proposal and the alternatives, for a decision to be taken on whether the project should be pursued further.

- 4.8 Where projects of a commercial nature are underway, but have not yet progressed to the point of requiring a decision paper to be taken to Committee, updates on progress should be a standing agenda item for Spokes meetings, to enable continued Member oversight and engagement with the development of major projects.
- 4.9 Where progress reports or other items relating to commercial proposals are taken to Spokes or to Committee, they should only be marked as 'confidential' if confidential information is included in the report.

## **5. Unique Commercial Proposals:**

- 5.1 Officers must fully explore the opportunity to go out to tender for all commercial proposals received. Where a proposal is considered to be truly unique and may only be achieved by working in partnership with one specific organisation, the following steps must be followed:
- The service must obtain the agreement of the relevant Service Director.
  - A report must be produced which clearly outlines the reasons that the proposal is considered to be unique, including information on the options appraisal and market research carried out, and setting out how the Council will demonstrate that Best Value has been achieved.
  - The report should be submitted to the Contract Review Group for comment and challenge.
  - The report should then be submitted for approval along with a formal Exemption Request Form to the Chief Officer and the Head of Procurement, and any further officers specified by the Council's Contract Procedures Rules based on the value of the contract.

## **Appendix B**

### **Outline Confidentiality Agreements Policy**

#### **1. Introduction:**

- 1.1 Non-Disclosure Agreements, also known as confidentiality agreements, are an important tool which may be used to protect Cambridgeshire County Council, its service users, partner organisations and suppliers from breaches or misuse of their confidential personal or commercial information. As such, the Council regularly enters into agreements of this nature.

#### **2. Purpose:**

- 2.1 This policy clarifies and formalises the appropriate procedure for officers to follow in cases where an external organisation seeks to enter into a confidentiality agreement with Cambridgeshire County Council.

#### **3. Entering into Confidentiality Agreements:**

- 3.1 Prior to signing any confidentiality agreement with an external organisation on behalf of the Council, consideration must first be given to:
- The information likely to be exchanged and whether entering into a confidentiality agreement is an appropriate and proportionate response;
  - The potential impact of the agreement on the Council's ability to conduct an open procurement process;
  - The potential impact of the agreement on the Council's ability to conduct public consultation;
  - Whether there are more appropriate alternative mechanisms to achieve the same end, such as entering into an Information Sharing Agreement;
- 3.2 The wording of the Confidentiality Agreement must clearly specify the information which is to be kept confidential. Officers must ensure that they minimise the amount of information which is required to be kept confidential under such agreements.
- 3.3 The approval of the relevant Executive Director must be gained prior to signing, and the intention to enter into a confidentiality agreement must be shared with the relevant Spokes.

- 3.4 All confidentiality agreements must also be reviewed by Legal Services prior to signing, along with a covering report explaining the reasons that a non-disclosure agreement is justified in this particular instance.

#### **4. Reporting:**

- 4.1 Once a confidentiality agreement has been signed, a copy of the signed and dated agreement should be forwarded to the Monitoring Officer, who will maintain a register of all confidentiality agreements which the Council has entered into.
- 4.2 The Monitoring Officer will report on new confidentiality agreements to the relevant Spokes, including information on the parties to the agreement, to ensure that members are aware of the existence of all such agreements.

## Appendix C

### Cambridge Library Enterprise Centre Review *Timeline of Key Events*

DATE:	KEY EVENT:
17/01/2013	Initial approach from Regus to Cambridgeshire County Council.
25/01/2013	First meeting between representatives of Regus and Cambridgeshire County Council (not minuted).
6/03/2013	Regus request signature of a Confidentiality Agreement.
26/3/2013	Regus Draft Heads of Terms sent to Cambridgeshire County Council.
10/6/2013	Confidentiality Agreement is signed.
14/06/2013	Regus Innovation (later known as Kora) workshop with Cambridgeshire County Council.
9/08/2013	Briefing to Cabinet members and senior officers on CLEC proposal.
9/08/2013	Portfolio Holder for Enterprise is informed of the CLEC proposal.
17/09/2013	Report to Informal Cabinet on CLEC proposal.
5/11/2013	Heads of Terms for Management Agreement are finalised.
2/12/2013	Report to SMT.
3/12/2013	First CLEC Meeting.
12/12/2013	Initial meeting with Landlords.
20/12/2013	CLEC Meeting.
7/01/2014	CLEC Implementation Group Meeting.
14/01/2014	CLEC Workshop.
4/02/2014	CLEC Implementation Group Meeting.
4/03/2014	CLEC Implementation Group Meeting. CLEC Finance, Legal & Business Case Update Meeting.

24/03/2014	Report to Informal Cabinet.
17/04/2014	CLEC Meeting.
13/05/2014	CLEC Meeting.
2/06/2014	CLEC Meeting.
11/07/2014	CLEC Floor Planning Meeting.
14/07/2014	CLEC Implementation Group Meeting.
29/07/2014	CLEC Implementation Group Meeting.
19/08/2014	CLEC Implementation Group Meeting.
28/08/2014	CLEC Implementation Group Pre-Meeting.
	CLEC Implementation Group Meeting.
12/09/2014	inRegus Implementation Group.
16/09/2014	Conference Call with the Central Library Landlord.
3/10/2014	inRegus Implementation Group.
13/10/2014	CLEC Strategic Management Group.
17/10/2014	inRegus Implementation Group.
3/11/2014	CLEC Strategic Management Group.
	inRegus Implementation Group.
21/11/2014	CLEC Strategic Management Group.
	inRegus Implementation Group.
16/12/2014	CLEC Strategic Management Group.
9/01/2015	CLEC Strategic Management Group.
21/01/2015	CLEC Meeting.
30/01/2015	CLEC Strategic Management Group.
9/02/2015	Kora Implementation Group.

16/02/2015	CLEC Proposals to SMT.
19/02/2015	CLEC Proposals presented to H&CIC Spokes.
23/02/2015	CLEC Strategic Management Group.  Kora Implementation Group Meeting.
2/03/2015	Launch of the <i>Library Services in Cambridgeshire: Developing Our Approach for the Future</i> consultation
5/03/2015	Press release re: CLEC proposals.
9/03/2015	CLEC Strategic Management Group.  Kora Implementation Group Meeting.
12/03/2015	Staff briefing session with Central Library staff.
17/03/2015	Highways & Community Infrastructure Committee (H&CIC) approves the CLEC proposal.
14/04/2015	General Purposes Committee (GPC) review the decision and agree unanimously to refer it back to H&CIC.
28/4/2015	Member seminar on the CLEC proposals, with all members able to meet Roger Perrin of Kora.
30/4/2015	Members visit Central Library.
6/5/2015	Public Meeting at the Central Library.
10/5/2015	End of <i>Library Services in Cambridgeshire: Developing Our Approach for the Future</i> consultation.
14/05/2015	CLEC Proposal considered at H&CIC Spokes.
29/05/2015	Publication of FOI 5101.
2/06/2015	H&CIC vote a second time to approve the CLEC proposal.
5/06/2015	Cambridge blogger Phil Rodgers identifies that Roger Perrin, lead negotiator for Kora and its Global Managing Director, is disqualified from being a company director in the UK.
10/06/2015	Publication of FOI 5335.

26/06/2015	Special meeting of H&CIC. The Committee review their decision on CLEC and decide to rescind it.
21/07/2015	<p>Full Council passes a motion from Councillor Hickford, requesting that the Audit and Accounts Committee:</p> <ul style="list-style-type: none"> <li>○ undertake a review of the process by which the CLEC proposals emerged and were developed and to make recommendations on how that process could be improved;</li> <li>○ prepare a protocol, recognising the need to raise additional income, for dealing with new commercial proposals covering matters to include: <ul style="list-style-type: none"> <li>• Scoping of proposals to be considered</li> <li>• Engagement with members</li> <li>• Dealing with confidential information</li> </ul> </li> <li>○ to undertake a review of the Spokes position within the Committee system and how it could be more effective;</li> <li>○ to report the findings of that review to Council as soon as possible.</li> </ul>
23/07/2015	Publication of FOI 5336.
27/07/2015	Publication of FOI 5388.
1/09/2015	Publication of FOI 5359.

## **Appendix D**

### **LGSS Audit & Risk Management Service Internal Audit Terms of Reference**

**Audit title:** Cambridge Library Enterprise Centre

**Directorate:** Economy, Transport and the Environment

#### **1. Objectives**

This review has the following objectives, as per the motion proposed by Cllr Hickford:

- To review the process by which the Cambridge Library Enterprise centre (CLEC) proposals emerged and were developed, and to identify any recommendations on how the process could be improved;
- To prepare a protocol for dealing with new commercial proposals, which recognises the need to generate additional income, and considers how proposals should be scoped, how Members should be engaged in the process, and how confidential information should be dealt with;
- To review the Spokes position within the Committee system and how it could be more effective, while reserving the right to refer this review to the Constitution and Ethics Committee if it is decided that this would be a more appropriate forum.

#### **2. Approach**

Internal Audit were invited by the Chairman of the Audit and Accounts Committee to conduct the review into the process by which the Cambridge Library Enterprise Centre proposals emerged and were developed. The review into the Spokes position within the Committee system has been conducted by the Chair of the Audit and Accounts Committee.

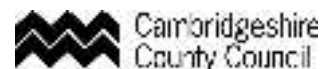
All Councillors will be given the opportunity to make written submissions to this review, as well as the chance to attend face-to-face meetings with the relevant Internal Audit staff. In addition to this, Internal Audit will conduct a review of primary documentation, conduct meetings with relevant officers, and give the opportunity for members of the public to make submissions to the review.

#### **4. Reporting**

A draft report and supporting documentation will be produced and circulated to Councillors by the 15<sup>th</sup> September.

The Audit and Accounts Committee meeting on the 22<sup>nd</sup> September will be extended by one hour, to allow initial discussions on the draft report, following which the report will be further revised and taken to Full Council on October 13<sup>th</sup>, at which point there will be an opportunity for further discussion of the report.

## Appendix E



<b>XXX Project Business Case</b>			<b>Date</b>
<b>XXX Project Sponsor</b>			
<b>XXX Programme Name (if applicable)</b>		<b>PREPARED BY PROJECT MANAGER</b> <b>XXX</b>	

**The Business Case is a description of the reasons for the project and the justification for undertaking it, based on the estimated costs, risks and the expected business benefits and savings.**

*It is the **most important** set of information for the project as it drives the decision-making process. It is updated if any changes occur to the project to ensure it is still aligned to the business objectives.*

Version History		
Version	Date	Comments/evidence of decision (hyperlink to document)
1.0		Final Version for Sign-off
2.0		Updated version following changes posts sign-off

**Project Driver – why we are doing this (LINKING INTO CCC STRATEGIC OBJECTIVES)**

**Project Overview – What we are doing**

**PROJECT OBJECTIVES**

<list the objectives of the project>

-

**KEY BENEFITS**

Key Benefit	Measure	Baseline	Target & Timescale
Fewer NEETs	NEET numbers	1234	900 in two years

**PROJECT INTERDEPENDENCIES**

<Describe linkages between this project and other projects, programmes or specific areas>

of work>
<b>IN SCOPE</b>
<Describe what is included in the scope of this project>
<b>OUT OF SCOPE</b>
<Describe anything that is specifically excluded from the scope of this project>

<b>Key Stakeholders</b>		
<Identify the key people effected by the project in order to ensure they have been considered, consulted and communicated to in an appropriate manner. If you have completed a separate stakeholder analysis/map just include the reference to this here>		
<b>STAKEHOLDER</b>	<b>INVOLVEMENT</b>	<b>BEST WAY TO COMMUNICATE WITH THEM</b>

### Delivering the Project

<If the approach was arrived at via an options appraisal, detail the full appraisal of options considered as an appendix>

<b>10.1 Impact assessments</b>
Is a <a href="#">Community Impact Assessment</a> Required for this Project?
YES <input type="checkbox"/> <insert hyperlink here>
NO <input type="checkbox"/> <give the reason this is not required>

<b>10.2 Costs of what will be delivered</b>		
<u>Summary of estimated project costs (see separate template)</u>	Current financial year	Next financial year
Project running costs		
Project Implementation costs		
Procurement costs (Revenue costs - i.e. on-going costs such as contact maintenance)		

Equipment / Property (Capital - one off costs i.e. new Management System)		
Totals		

10.3 Benefits		
<u>Cashable benefits (savings)</u>	Current financial year	Next financial year
<detail to be added>		
Total		

<u>Non-cashable benefits</u>	Current financial year	Next financial year
<details of non-cashable benefits and the quantitative measure to be used to be added here>		

10.4 Key Risks
<Project risks identified at this stage. To be transferred to Risk Log if approved to proceed>

10.5 Key Milestones - High Level Plan				
<Remember to include communication activities within the project plan>				
Milestone Point/ Task/Phase	Date	Dependency/ Interface	Overall Responsibility	Resources agreed? Yes/No
Project Start	XXXX			
Project Closure	XXXX			

10.6 Resources needed to deliver the project (please show days per month (full time equivalent)), if not known at this stage please show as to be confirmed) (Note - this section maybe replaced by a reference to a full MS Project Plan if required)												
Resource	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Sponsoring Service (CS&T, ASC, CYPS, ETE)												
CCC Service Transformation Team												
Internal CCC Other 1												
Internal CCC Other 2												
Internal CCC Other 3												
LGSS HR												
LGSS IT												
LGSS Finance												
LGSS Audit												
LGSS Property												
LGSS Legal												
LGSS Other 1												
LGSS Other 2												
Partnership Resources 1												
Partnership Resources 2												
Partnership Resources 3												

External Resources 1												
External Resources 2												
External Resources 3												

