

Public Document Pack

NOTICE OF COUNCIL MEETING - 18 JULY 2013

Dear Councillor,

A meeting of Cambridge City Council will be held in the Council Chamber - Guildhall on Thursday, 18 July 2013 at 6.00 pm and I hereby summon you to attend.

Dated 10 July 2013

Yours faithfully

A handwritten signature in black ink, appearing to read 'AP Jackson', written in a cursive style.

Chief Executive

Agenda

- 1 **TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 23 MAY 2013**
(Pages 7 - 28)
- 2 **MAYORS ANNOUNCEMENTS**
- 3 **PUBLIC QUESTIONS TIME - SEE AT THE FOOT OF THE AGENDA FOR DETAILS OF THE SCHEME**
- 4 **TO CONSIDER THE RECOMMENDATIONS OF THE EXECUTIVE FOR ADOPTION**

4a **2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances - General Fund - Overview - (The Leader)**

(Pages 29 - 88)

4b **Annual Treasury Management report 2012/13 (The Leader)**

(Pages 89 - 104)

4c **Restructure of the Resources Department (The Leader)**

(Pages 105 - 116)

5 TO CONSIDER THE RECOMMENDATIONS OF COMMITTEES FOR ADOPTION

Civic Affairs - 26 June 2013

5a **Code of Corporate Governance**

(Pages 117 - 150)

5b **Review of Contract Procedure Rules (Part 4G of the Constitution)**

(Pages 151 - 212)

5c **Council Processes in Relation to Budget Setting / Medium Term Strategy**

(Pages 213 - 222)

6 TO DEAL WITH ORAL QUESTIONS

7 TO CONSIDER THE FOLLOWING NOTICES OF MOTION, NOTICE OF WHICH HAS BEEN GIVEN BY:

7a **Councillors Cantrill and Reiner**

This Council notes:

- That the Justice Secretary has recently held a consultation on the future of civil and criminal legal aid funding.
- All political parties have agreed that the current system can be made more efficient.
- That it is an important principle that people should be able to hold government to account when it makes unlawful decisions. Restrictions on the availability of civil Legal Aid which may prevent people from being able challenge an employer, public authority or government decision can be detrimental.
- That the Justice Secretary is proposing to restrict legal aid to those who have been lawfully in the UK for over 12 months continuously and who have documentary evidence to prove this.
- There is a risk that cutting back on criminal legal aid support may make it harder for people to be able to defend themselves.
- The proposed changes will have a material impact on Cambridge Citizens Advice Bureau and other agencies across the city who provide a critical role for the vulnerable.
- That the City Council acknowledges the crucial work that the CAB undertakes and provides on going financial support to the Cambridge CAB.

This Council believes:

- That the proposed changes to civil legal aid will make it harder for vulnerable people to have access to justice and is likely to exclude even more people from enforcing their rights to fair treatment at work.
- That the Justice Secretary was right to respond to pressure from lawyers, Liberal Democrat MPs and others to end his proposal of removing choice in criminal legal aid.
- That there are alternative ways of saving money from the criminal legal aid budget, such as those proposed by the Law

Society, using frozen assets to pay for legal expenses, and having Director's insurance to cover the costs of legal aid in corporate fraud cases.

This Council resolves:

- That the leader writes to the Justice Secretary urging him to look at alternative models for criminal legal aid, such as that proposed by the Law Society, to abandon the proposed residency test and ensure that funding for judicial reviews is continued.
- That the Leader writes to the two city MPs calling on them to lobby the Justice Secretary to achieve these aims.
- That the Council works with Cambridge CAB and other agencies to minimise the impact of the changes should they go through.

7b Councillors Roberts and Gawthrope

This council acknowledges that for many people in Cambridge there appears to be a substantial gap between the life experiences of the permanent community and those of the student population, which is not conducive to the wellbeing and future of our city.

This council recognises the essential role of both universities - Anglia Ruskin University and the University of Cambridge - in the city and their central contributions to Cambridge's economic success, but acknowledges that more could be done to foster social links.

The council notes, in particular, that there is a tangible disparity between the daily lives and life chances of those within the most deprived parts of our city and many of the students who, fortuitously, have the chance to study in Cambridge.

This council acknowledges the valuable work being done by Cambridge Hub, which recruits student volunteers and encourages their participation - locally, nationally and internationally - in a range

of essential social, environmental and charitable activities.

The council notes that Cambridge is blessed with a rich civil society, but community projects and community-based groups in some of the most deprived parts of our city often lack one or more of the following:

- A large pool of volunteers
- Time-rich/flexible volunteers
- Access to help in range of fields crucial for effective social action, such as:
 - Website design
 - Fundraising
 - Event organisation
 - Social media and communication training.

This council notes that the Cambridge Hub works with partners to recruit, support and connect student volunteers to available community opportunities. However, the council notes that it has been difficult for the Cambridge Hub to expand its local activism in the more deprived parts of Cambridge because of a lack of local coordination, knowledge and help in directing activities towards the greatest needs.

This council resolves to:

- Request that Cambridge City Council Community Development team meet with Cambridge Hub during the summer to discuss where and how the Hub can help community groups before the bulk of the student population returns to Cambridge.
- Write to community groups currently receiving, or who have received, financial assistance and/or wider support in the last two financial years, advertising the help Cambridge Hub can provide with an invitation to a community event in September to meet and discuss partnering opportunities further.
- Email all councillors the list of local organisations that will be contacted, so that each councillor has the chance to suggest additional community projects and groups in their own ward that they believe could benefit from building a relationship with Cambridge Hub.

- Lastly, recognise that more needs to be done by the council, especially in the current economic climate, to reduce the social divide between town and gown.

While acknowledging that council finances are under unprecedented pressure, the Chief Executive is asked to arrange a discussion including both universities on presenting an annual award - on behalf of us all - to one student and one community volunteer who have worked most successfully to bridge the divide between 'town and gown'.

8 WRITTEN QUESTIONS

No discussion will take place on this item. Members will be asked to note the written questions and answers document as circulated around the Chamber.

COUNCIL23 May 2013
1.00pm - 6.47 pm

Present: Councillors Stuart (Mayor for item 13/24/CNL), Saunders (Deputy Mayor for items 13/24/CNL and 13/25/CNL and Mayor from item 13/25/CNL onwards), Pippas (Deputy Mayor from item 13/25/CNL onwards), Abbott, Ashton, Benstead, Bick, Bird, Birtles, Blackhurst, Blencowe, Boyce, Brierley, Brown, Cantrill, Dryden, Gawthrope, Hart, Herbert, Hipkin, Johnson, Kerr, Kightley, Marchant-Daisley, McPherson, Meftah, Moghadas, O'Reilly, Owers, Pitt, Price, Reid, Reiner, Rosenstiel, Smart, Smith, Swanson, Todd-Jones, Tucker, Tunnacliffe and Ward

FOR THE INFORMATION OF THE COUNCIL**13/24/CNL To elect a Mayor for the Municipal Year 2013/14**

Councillor Smart proposed and Councillor Tunnacliffe seconded the nomination of Councillor Paul Saunders as Mayor for the Municipal Year 2013/2014.

Councillor Price proposed and Councillor Herbert seconded the nomination of Councillor Geri Bird as Mayor for the Municipal Year 2013/2014.

21 votes were cast for Councillor Saunders and 20 votes for Councillor Bird.

Resolved that:

- i. Councillor Paul Saunders be elected Mayor for the Municipal Year 2013/2014 (Councillor Saunders then made the statutory declaration of acceptance of the office of Mayor).

13/25/CNL To elect a Deputy Mayor for the Municipal Year 2013/14

Councillor Swanson proposed and Councillor Brierley seconded the nomination of Councillor George Pippas as Deputy Mayor for the Municipal Year 2013/2014.

Councillor O'Reilly proposed and Councillor Marchant-Daisley seconded the nomination of Councillor Geri Bird as Deputy Mayor for the Municipal Year 2013/2014.

21 votes were cast for Councillor Pippas and 21 Votes for Councillor Bird.

Resolved (on the Mayor's casting vote) that:

- i. Councillor George Pippas be elected Deputy Mayor for the Municipal Year 2013/2014 (Councillor Pippas then made the statutory declaration of acceptance of the office of Deputy Mayor).

13/26/CNL To approve as a correct record the minutes of the meeting held on 18 April 2013

The minutes of the 18 April 2013 meeting were approved as a correct record and signed by the Mayor.

13/27/CNL To note the Returning Officer's Report that the following have been elected to the office of Councillor

It was noted that the following had been elected to the office of Councillor:

Abbey Ward: Peter Roberts

13/28/CNL To note the appointment of the Mayor's Chaplain for the ensuing year

The Council noted the appointment of The Reverend, Stewart Taylor as the Mayor's Chaplain for the Municipal Year 2013/2014.

13/29/CNL To note the appointment of the Mayor's Cadet for the ensuing year

The Council noted the appointment of Adam Brown of No. 104 (City of Cambridge) Squadron, Air Training Corps, as the Mayor's Cadet for the Municipal Year 2013/14.

13/30/CNL To pass a Resolution of Thanks to the outgoing Mayor and Consort

Resolved (unanimously), on the proposal of Councillor Bick, seconded by Councillor Herbert that:

- i. This Council expresses its appreciation of the manner in which the duties of Mayor and Consort were discharged by Councillor Sheila Stuart and her husband Bruce Stuart during their period of office and that the Common Seal be affixed to a copy of this resolution for presentation to them.

13/31/CNL Mayor's Announcements**1. APOLOGIES**

No apologies were received.

2. WELCOME

The Mayor welcomed students from Ridgefield School, representatives of Cambridge COPE and local residents from the Arbury area.

A warm welcome was also extended to Honorary Councillor Percy Reed who served as Mayor in 1981/82 and sat as a Councillor for fifteen years. Mr Reed would be shortly celebrating his 100th birthday and sincere congratulations were extended on behalf of the City Council.

3. OUTGOING MAYOR'S DINNER – Thursday, 13 June

The Mayor reminded anyone planning to attend the dinner at Corpus Christi College to mark the term in office of Councillor Sheila Stuart, to arrange to purchase their tickets from the Civic and Twinning Officer.

4. CIVIC CHURCH SERVICE – Sunday, 2 June

The Mayor confirmed that the Mott Sermon would be preached at Holy Trinity Church on Sunday, 2 June at 9.30am.

5. ARMED FORCES DAY - 29 June

The Mayor confirmed that, in support of national Armed Forces Day, the Armed Forces Flag would be flown from the Guildhall from Monday, 24 June for one week.

6. PROCLAMATION OF MIDSUMMER FAIR – Wednesday, 19 June

The Mayor confirmed that the Proclamation of Midsummer Fair would take place on Wednesday, 19 June.

7. MAYOR'S DAY OUT

The Mayor confirmed that the Mayor's Day Out would take place on Thursday 5 September. The support of Councillors was greatly valued each year and members were asked to let the Civic and Twinning Officer know if they could help out.

8. HMS PROTECTOR

The Mayor confirmed that HMS Protector would be back at Ipswich Docks in July and arrangements were in hand to acknowledge the ship's return to the UK after a lengthy deployment in the Antarctic.

13/32/CNL To elect from among the Members of the Council four Bailiffs of the City for the Municipal Year 2013/14

Councillor Boyce proposed and Councillor Owers seconded that Councillors Bird, Brown, McPherson and Swanson be appointed as Bailiffs.

Resolved that Councillors Bird, Brown, McPherson and Swanson be appointed as Bailiffs of the City for the Municipal Year 2013/2014.

13/33/CNL Declarations of Interest

Councillor	Item	Interest
Ashton	13/37/CNL	Personal: Knows the public speaker
Reiner	13/40/CNL	Personal: As a Cam Conservator

13/34/CNL To consider recommendations of Committees for Adoption**Civic Affairs (13 May 2013)****Executive Councillors and Allocation of Portfolios**

Resolved (by 21 votes to 0) to:

- i. Amend the terms of reference of scrutiny committees to reflect the changes to portfolios made by the Leader of the Council and to make Environment Scrutiny Committee responsible for scrutiny of the Public Places portfolio.
- ii. Authorise the Head of Legal Services to update the Constitution to reflect the changes to portfolios and the recommended change to the terms of reference of scrutiny committees.

Nominations For Committees For The Municipal Year 2013/14

Resolved to:

- i. Agree the number and size of committee and membership of committees as listed below:

SCRUTINY COMMITTEE	GROUP	CURRENT NUMBERS (1) =Alternate	NOMINATIONS
Community Services	Liberal Democrats	4 (1)	Blackhurst, Kerr, Kightley, Tucker Alt: Brierley
	Labour	4 (1)	Johnson, Moghadas (Community Wellbeing Spokes), Price (Housing Spokes), Roberts Alt: Todd-Jones
Environment	Liberal Democrats	4 (1)	Kightley, Reid, Saunders, Tunnacliffe Alt: Brierley
	Labour	4 (1)	Blencowe (Planning and Climate Change Spokes), Owers (Environmental and Waste Services Spokes), O'Reilly (Public Places Spokes), Marchant-Daisley Alt: Herbert
Strategy & Resources	Liberal Democrats	4 (1)	Boyce, Cantrill, Pitt, Rosenstiel Alt: Stuart
	Labour	4 (1)	Ashton, Benstead (Customer Services and Resources Spokes), Herbert (Strategy Spokes), O'Reilly Alt: Bird
Housing Management Board	Liberal Democrats	4 (1)	Blackhurst, Brierley, Pippas, Rosenstiel Alt: Pitt
	Labour	4 (1)	Bird, Blencowe, Price (Spokes), Johnson Alt: Todd-Jones

REGULATORY COMMITTEES

COMMITTEE/SUB COMMITTEE	NOMINATIONS	CURRENT NUMBERS (1)= Alternate	PROPOSED CHANGES AND NOMINATIONS
PLANNING	Liberal Democrat	4 (1)	Rosenstiel, Saunders, Stuart, Tunnacliffe Alt: Swanson
	Labour	3 (1)	Blencowe, Dryden, Marchant-Daisley Alt: Herbert
	Ind&Con	1	Hipkin
JOINT DEVELOPMENT CONTROL COMMITTEE	Liberal Democrat	3 (2)	Reid, Smart, Tucker Alts: Tunnacliffe + 1
	Labour	3 (2)	Blencowe, Dryden, Price, Alts: Herbert and O'Reilly
LICENSING	Liberal Democrat	6 (1)	Brierley, Pippas, Rosenstiel, Saunders, Stuart, Boyce Alt: Brown
	Labour	5 (1)	Benstead, Gawthrope, McPherson, Owers, O'Reilly Alt: Bird
	Ind&Con	1	Meftah
CIVIC AFFAIRS	Liberal Democrat	3 (1)	Cantrill, Pitt, Rosenstiel Alt: Boyce
	Labour	3 (1)	Benstead, Herbert, Johnson Alt: Ashton

EMPLOYMENT APPEALS SUB	Liberal Democrat	5	Brierley, Boyce, Pippas, Smart, Stuart
	Labour	4	Bird, Gawthrope, Price, Birtles
	Ind&Con	1	Hipkin

Appointment of Chairs and Vice-Chairs 2013/14

Scrutiny Committees

Resolved (by 21 votes to 19) that the Chairs and Vice-Chairs be as follows:

Committee	Chair	Vice Chair
Community Services Scrutiny Committee	Kerr	Blackhurst
Environment Scrutiny Committee	Kightley	Saunders
Strategy and Resources Scrutiny Committee	Pitt	Cantrill
Housing Management Board	Tenant Rep	Blackhurst

Regulatory Committees

Resolved (by 21 votes to 19) that the Chairs and Vice-Chairs be as follows:

Committee	Chair	Vice Chair
Joint Development Control Committee	Reid (City Lead)	N/A
Civic Affairs	Rosenstiel	Cantrill

Resolved (by 23 votes to 19) that the Chairs and Vice-Chairs be as follows:

Committee	Chair	Vice Chair
Employment Appeals Sub Committee	Smart	N/A

Resolved (in the absence of any further nominations):

Committee	Chair	Vice Chair
Planning	Stuart	Blencowe
Licensing	Rosenstiel	Benstead

Appointment of a standing Employment (Senior Officer) Committee

Resolved (by 41 votes to 0) to:

- ii. Establish an Employment (Senior Officer) Committee with the terms of reference set out below and that the Constitution is amended accordingly.

Appointed by:	From time to time in accordance with the wishes of the political groups.
Membership:	6 members allocated between political groups in accordance with the rules on political balance set out in the Local Government and Housing Act 1989
Chair/Vice Chair:	To be appointed by the members of the Committee.
Decision making:	By the majority of members present and voting. The Chair has a casting vote if required.
Terms of Reference:	<ol style="list-style-type: none"> 1. To deal with the recruitment to the post of Chief Executive and to recommend a selected applicant to Council for appointment. 2. To recruit, appoint, take disciplinary action against and dismiss Directors 3. To suspend and keep under review the Chief Executive, Directors, the Monitoring Officer or section 151 Chief Finance Officer whilst an investigation takes place into alleged misconduct. 4. To appoint a designated independent person under regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001 5. To take disciplinary action against the Chief Executive, the Monitoring Officer or section 151 Chief Finance Officer in accordance with a recommendation in a report made by a designated independent person under regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001. 6. To consider and if necessary recommend to Council to dismiss or terminate the employment of the Chief Executive, the Monitoring Officer or section 151 Chief Finance Officer.

Note: The committee will be governed by the provisions contained within Part 4I of the Constitution (Officer Employment Procedure Rules)

Re-ordering of the agenda

Under paragraph 4.2.1 of the Council Procedure Rules, the Mayor altered the order of the agenda to take agenda items 13 and 15 next. However, for the ease of the reader the minutes will follow the order of the printed agenda.

13/35/CNL Annual Statements

Councillor Bick spoke to a written Annual Statement on the Liberal Democrat Group's priorities for the forthcoming Municipal Year, which had been appended to the agenda for the meeting.

Councillor Herbert spoke to a written Annual Statement on the Labour Group's priorities for the forthcoming Municipal Year, which had been appended to the agenda for the meeting.

13/36/CNL Adoption of Annual Policies and Priorities

Under the Scheme for Annual Statements, that of Councillor Bick was deemed to be a motion for adoption by the Council.

Councillor Owers proposed and Councillor Herbert seconded the replacement of the Liberal Democrat Annual Statement by that of the Labour Group.

On a show of hands, this proposal was lost by 19 votes to 21.

Resolved (by 21 votes to 19) that:

- i. The Annual Statement of the Liberal Democrat Group, as appended to the agenda, be adopted as Council policy for 2013/14.

13/37/CNL Public Questions Time

Speaking on Motion 6a – Kinship carers

Ms Roberts (Kinship United, Nuffield Children's Centre, Chesterton), Ms Edwards and Ms Boulton addressed the Council explaining the support group and personal experiences of kinship caring under the current regime and why they supported the Motion to enable opportunity for funding and support. They explained the difficulties that they faced under the current regime and that the County Council should recognise their role formally.

The Executive Councillor for Community Wellbeing thanked the speakers for attending and putting their case to the Council – she indicated that she would be supporting the Motion. She requested that they provide their contact details to the Committee Manager so that she could meet with them to discuss how best to take the matters raised forward.

13/38/CNL To deal with Oral Questions

1. Councillor Johnson to the Executive Councillor for Public Places

Can the Executive Councillor for Public Places reassure Council that the surveillance of Cambridge boat-dwellers, as recently highlighted in local media, did not breach the Regulation of Investigatory Powers Act?

The Executive Councillor for Public Place confirmed that the surveillance of Cambridge boat-dwellers did not breach the Regulation of Investigatory Powers Act.

It was noted that Residential Moorings Licences were issued with a number of stipulations. One being the occupation and use of the boat, and that the boat must be occupied by the licensee and by members of the immediate family of the licensee. The licensee must also notify the Council for any continuous period of non-occupation lasting more than four weeks or more than 30 days of non-occupation in any 12 month period. The boat must be the licensee's only permanent residence and the licensee must notify the Council as soon as the boat ceases to be the only permanent residence.

The Executive Councillor confirmed that the Council had a total of 70 Moorings spaces, 55 narrow beam and 15 wide beam. The waiting list for Council Moorings had reached 200 and turnover was very slow, with on average less than one a year. Often Council officers were informed by current boaters, or by those on the waiting list, that boats have been unoccupied for some time.

It was noted that between January and February officers undertook four walk-by inspections of Council Moorings. During these walk-by inspections they noted signs of a lack of occupation.

This would include whether smoke was emitted from the chimney of the boat, whether there were cobwebs or ivy covering access or doorways and whether there had been any indication of recent access and egress surrounding boat.

The Executive Councillor confirmed that at no time did officers either enter property or watch property for a prolonged period. Officers had their ID cards on display and wore work wear and were clearly visible.

2. Councillor Reid to the Executive Councillor for Environmental and Waste Services

Would the Executive Councillor explain her reactions to Marshall's announcement on Monday of the increase in flights from Cambridge Airport?

The Executive Councillor for Environmental and Waste Services responded that she was glad that Cambridge Airport could provide this opportunity for mainly business travellers to fly to and from Europe without having to drive to Stansted or Luton. The success of Marshall's as a whole was very important to the Cambridge economy and bringing extra business travellers and a limited number of tourists would be welcome.

However, the Executive Councillor was disappointed that there were no discussions with the City Council about the possible impact on local residents or the environment. At the recent Cambridge Airport Consultative Committee attended by the Executive Councillor it was announced that business discussions were underway about such flights but there was no timing on an announcement, as the discussions were at a sensitive stage. The statement that this was a strategic step in the development of Cambridge as a regional international airport caused some alarm. The Cambridge Airport press release indicated that there were plans to minimise the impact on local residents but unfortunately they have not yet communicated those to the City Council.

Whilst the small modern planes to be used would be quiet, particularly after take-off, discussions with Environmental Health would have reduced the anxiety that people may have felt and given confidence that the airport really was aware of local residents.

The Executive Councillor confirmed that she would be holding a meeting with the Director of Environment and Cambridge Airport to discuss the issue in more detail.

3. Councillor Blackhurst to the Executive Councillor for Housing

Has the Adjudicator ruled on the Council's dispute with Apollo and if so, will the Executive Councillor tell us what effect the ruling will have on the programme of planned maintenance?

The Executive Councillor for Housing responded that Apollo were claiming a total of £669,096 in additional overheads, non-productive working and costs associated with survey work for year one of the contract. The Adjudicator had disallowed £472,774 of Apollo's claim.

Should this claim have succeeded then clearly less work would have been possible to tenant's homes from available funding budgets. The decision meant that a higher proportion of the overall budget for delivery of housing investment programmes could now be released, with confidence, to spend on works in current and future years. The Adjudicator's decision regarding appropriate levels of overhead cost would also assist in determining overhead payments for the remainder of the contract.

It was noted that the Adjudicator had ruled that 75% of the cost of the adjudication to be paid by Apollo and 25% by the Council.

The Executive Councillor confirmed that the Council would continue to work with Apollo and its other contracting partners to ensure that delivery of planned investment programmes continue to be delivered whilst demonstrating value for money for our residents.

4. Councillor Tunnacliffe to the Executive Councillor for Public Places

Could the Executive Councillor provide an update on the proposed lighting along the footpaths on Parkers Piece?

The Executive Councillor for Public Places responded that between 28 January and 25 February the Council undertook a trial consultation on lighting on Parker's Piece.

The consultation received 1,039 valid responses, with 76% of those in favour of lighting. The full consultation analysis would be presented to the West Central Area Committee on 20 June at which time the Committee would be asked to approve the project moving forward to a design and costing phase.

5. Councillor Cantrill to the Chair of the Civic Affairs Committee

At a time when the public engagement in the election process is low, it is important that the City Council does everything possible to make the process of voting easy.

The selection of the University Sports Ground as the location for one of the polling stations in the Newnham Ward in the recent County Council elections, did nothing to help this goal.

Could the Chair of the Civic Affairs Committee indicate what actions are being taken to ensure that this venue is not used again.

The Chair of the Civic Affairs Committee responded that he shared Councillor Cantrill's concerns about the long standing problems of finding suitable a polling station in this area. Finding Polling Stations was, however, the responsibility of the Chief Executive in her role as Returning Officer.

It was noted that the Returning Officer had written to Ward Councillors on 7 May acknowledging that the polling station had not been ideal but explaining that it had been very difficult to find a suitable polling station in that polling district.

Selwyn College have been reluctant to rent out Selwyn Diamond as it is being used by the college for exams and other purposes.

Newnham Bar was used in 2011 but was being refurbished this year. There are also concerns about its suitability on size grounds for use in a General Election.

The Council had also tried portacabins at the Rugby Club which was unpopular because of size and the noise of the generators. The previous polling district in this area used Cockcroft Hall but that is not well located for much of the electorate and would now disrupt a nursery.

The key challenge for election staff was finding a site which could take delivery and store polling booths and equipment before polling day itself, which could be available from 6.30am to 10.30pm on polling day and where building owners were happy to have the general public walking through their site.

It was confirmed that the Civic Affairs Committee and Returning Officer would be conducting polling district and polling station reviews later in the year.

The Chair of the Civic Affairs Committee was committed to trying to find a better, more permanent solution for next year onwards and this may involve changes in the area to be served by a polling station to cope with the difficulties experienced over many years.

As there may be two combined elections in 2014 and 2015 there was a need to make sure that any solution is big enough for a combined poll.

Members were asked for any suggestions of alternative venues that officer could be explored by the Returning officer.

The Chair was also hopeful that the University and Colleges would be able to assist in finding a suitable location for a polling station within their considerable estate in the area. It was felt that the people most disadvantaged by the problems included many of their students and the Council would also liaise with CUSU to seek assistance from the student body.

6. Councillor Pitt to the Executive Councillor for Public Places

What steps have been taken to address the issues around punt touting ahead of this summer?

The Executive Councillor for Public Places responded that the proliferation of punt touts in the City Centre in recent years was directly linked to independent punt operators trading from Garret Hostel Lane (GHL).

It was confirmed that in September 2011 the Conservators of the River Cam had altered their regulations for issuing commercial licenses requiring that all punt operators trade from one of 6 “recognised” punt stations, GHL was not listed as one of these stations.

Throughout the 2012 season the touting continued as the GHL punt operators ignored the new regulations and applied for a Judicial Review of the Conservators’ decision. Over the summer the Conservators collected information on those trading from GHL and instigated court proceedings against a number of them. The court proceedings took place in Feb/March 2013 and the court found in favour of the Conservators in each case.

It was confirmed that, since the court proceedings and the outcome of the Judicial Review (the judge upheld the Conservators’ decision although this has been appealed for a 2nd time and is due to be heard by the Court of Appeal this year) all operations from Garret Hostel Lane have ceased and as a direct result the number of touts in the City Centre had reduced dramatically.

The Council had reviewed and re-issued its Punt Operators Code of Practice which detailed permitted areas in which the legitimate companies could tout, these were all directly adjacent to their businesses and no company had permission to tout in the King’s Parade area. Although the Code was voluntary, all the legitimate operators were consulted, and supported the Code of Practice.

The Executive Councillor confirmed that the Council would continue to monitor the situation should further action prove necessary.

7. Councillor Price to the Executive Councillor for Customer Services and Resources

How many of those affected by the Bedroom Tax/Social Sector Size Criteria were given wrong information about the amount of money they would lose from their housing benefit by housing officers?

The Executive Councillor for Customer Services and Resources responded that she was aware of one isolated incident where a City Homes Officer may have given a resident the wrong impression regarding the amount that their Housing Benefit would be reduced by. The resident was however advised to speak with another officer to get some more detailed information.

It was confirmed that Housing Officers had received training on all of the Welfare Reforms and were extremely well informed and well aware of the changes that happened in April.

13/39/CNL To consider the following Notices of Motion, notice of which has been given by:

13/39a/CNL Motion A

Councillor Owers proposed and Councillor Bird seconded the following motion:

“This Council acknowledges the incredibly valuable job done by kinship carers in Cambridge, relatives and friends (most often grandparents) who care for children informally because their parents are no longer able to look after them, usually because of bereavement, ill-health, imprisonment, or addiction problems.

This Council acknowledges that, whilst foster carers and social care workers may make a significant contribution to the care of children unable to remain with their families, children raised by kinship carers typically have better educational and social outcomes relative to children brought up in non-kinship foster or social care. Each child raised by kinship carers also saves the taxpayer up to £56,000 a year.

This Council notes the existence of two Kinship Care support groups in Cambridge: Cambridge Kinship Carers, which meets at Bewick Bridge Primary School in Cherry Hinton, and Kinship United, which meets at Nuffield Children’s Centre in Chesterton.

This council notes that these support groups currently receive no community development funding from the City Council, due to problems with the constitution and status of their organisation.

This Council notes the problems faced by such carers, such as the following:

- Although children raised by kinship carers tend to progress better than children raised by non-kinship carers, they still typically experience much higher than average levels of anxiety and mental health problems, usually related to the high levels of adversity they have suffered in their early life. 88% have been abused or neglected.

- Most kinship carers are either on low-fixed incomes, such as pensions, or have to give up work to become carers. 70% of kinship carers themselves have a longstanding health condition or disability. Due to these factors, and the financial burden placed on kinship carers by the responsibilities of bringing up a child, the majority of kinship carers experience severe poverty. They also suffer from a lack of respite care and the difficulties of caring for children who usually have emotional, educational or behavioural problems.
- Local authorities tend to provide support on the basis of legal status, rather than need, which disadvantages the 95% of kinship carers who care informally. LAs tend to discourage kinship carers from becoming formal kinship foster carers, who are entitled to higher levels of support, to keep down costs. This leaves the majority of kinship carers entitled to less help than foster carers, and unclear as to what support they are entitled to.

This Council notes that the 2011 Family and Friends Care Statutory Guidance statutory guidance requires all responsible local authorities to produce a policy outlining a consistent approach to supporting kinship carers based on need, rather than legal status.

This council notes that Cambridgeshire County Council has failed to produce such a policy.

This Council resolves to:

- Request the Cambridge City Council Community Development team to liaise with the Cambridge Kinship support groups to advise them on how they may access support and funding.
- Write to Cambridgeshire County Council, specifically the Cabinet member for Children and Young People's Services, to request the County Council to produce a policy on Family and Friends Care which outlines how they intend to provide consistent and transparent support to kinship carers based on need rather than legal status, and which addresses the discrepancies between the levels of support that kinship carers receive relative to foster carers."

Resolved (unanimously) to agree the motion as set out above.

13/39b/CNL Motion B

Councillor Cantrill proposed and Councillor Rosenstiel seconded the following motion:

“This Council:

- notes the results of the recent Cambridgeshire County Council elections and its new political composition
- welcomes any proposed changes in governance structure that increases the democratic accountability and transparency of the County Council
- hopes that any changes in governance will ensure that the residents and representatives of the City will be more effectively involved in decision-making affecting the City
- Calls on the Leader of the Council and Chief Executive to explore the support present at the County Council and neighbouring district authorities to further simplify local democratic accountability for the benefit of the residents of Cambridge”

Councillor Herbert proposed and Councillor Owers seconded the following amendment:

Delete all and replace with:

“1. The Council is committed to further improving its own democratic accountability and decision making, including major improvements to joint delivery. Internal issues at the county council are the job of the newly elected County Council.

2. The Chief Executive is asked to write to the County Council proposing improvements to joint decision making, including detailed proposals to revamp the new Area Joint Transport Committee, with clear responsibility and accountability for delivering all Cambridge area transport initiatives, working closely with South Cambridgeshire.

3. The Council supports a unitary council for the combined area of the two councils, to radically improve delivery for Cambridge and South Cambridgeshire residents and businesses, and deliver better decisions and future planning, improved and more efficient services, and clear accountability

and

transparency.

The Council recognises that this change needs detailed discussion with South Cambridgeshire and the County Council to seek support and agreement, and then consult with Cambridge and South Cambridgeshire residents and organisations to decide whether and how best to implement it.

4. As a half way house, the Council will also work with South Cambridgeshire and the County Council to establish a 'virtual unitary council' including fully integrating Local Plans and Transport Strategy, expanding joint services and shared delivery, and wider initiatives to achieve integrated, efficient, effective and accountable local government for the city and the Greater Cambridge area."

On a show of hands the amendment was lost by 19 votes to 20.

Resolved (by 20 votes to 0) that:

This Council:

- notes the results of the recent Cambridgeshire County Council elections and its new political composition
- welcomes any proposed changes in governance structure that increases the democratic accountability and transparency of the County Council
- hopes that any changes in governance will ensure that the residents and representatives of the City will be more effectively involved in decision-making affecting the City
- Calls on the Leader of the Council and Chief Executive to explore the support present at the County Council and neighbouring district authorities to further simplify local democratic accountability for the benefit of the residents of Cambridge

13/40/CNL Written Questions

Members noted the written questions and answers circulated around the chamber.

13/41/CNL To note the record of Member's attendances at Committee, Sub-Committee and Working Party meetings during 2012/13

Resolved that:

- i. Record of Members' attendances at Committee, Sub Committee and Working Party Meetings during 2012/2013 be noted.

The meeting ended at 6.47 pm

CHAIR

<p style="text-align: center;">RECOMMENDATION TO COUNCIL (THE LEADER – COUNCILLOR BICK)</p>
--

2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances - General Fund - OVERVIEW

Revenue Outturn

The 2012/13 final revenue budget for all portfolios was £21,451,350. The final outturn for the year was now £20,034,524 giving an overall under-spend of £1,416,826. Of this total under-spend requests for carrying forward budgets into the next financial year are being sought for £717,250, as detailed in Appendix C.

Capital Outturn

The latest approved capital budget for all portfolios was £33,614,000. Actual expenditure on capital schemes and programmes during 2012/13 is £20,237,000 giving an overall under-spend of £13,377,000. Of this net underspend £11,967,000 is due to net slippage and Council approval is sought to rephase the required capital resources from 2012/13 into 2013/14.

The Scrutiny Committee considered and approved the recommendations by 4 votes to 0.

Accordingly, Council is recommended to:

Revenue:

a) Agree carry forward requests, totaling £717,250, as detailed in Appendix C of the officer's report, subject to the final outturn position.

Capital:

b) Carry forward (net) capital resources to fund re-phased capital spending of £11,967,000 as shown in Appendix D of the officer's report - Overview.

This page is intentionally left blank



To: Leader: Councillor Tim Bick

Report by: Director of Resources

Relevant scrutiny committee: Strategy & Resources

8 July 2013

2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances - General Fund - OVERVIEW

Key Decision

1. Executive summary

- 1.1 This report presents a summary of the 2012/13 outturn position (actual income and expenditure) for all portfolios, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted. Explanations have been reported to individual Executive Councillors / Scrutiny Committees and are reproduced here.
- 1.2 Requests to carry forward funding arising from certain budget underspends into 2013/14 are identified.
- 1.3 It should be noted that outturn reports being presented in this Committee cycle reflect the reporting structures in place prior to the recent changes in Executive portfolios. In light of those changes (together with the requirement to report outturn on the basis of portfolios in place during 2012/13) members of all committees have been asked to consider the proposals to carry forward budgets and make their views known to The Leader, for consideration at Strategy & Resources Scrutiny Committee prior to his recommendations to Council. As this report was published prior to completion of all the Scrutiny Committee meetings a list of all comments received will be published once available.
- 1.4 For additional information this report indicates those revenue carry forwards and capital rephasing requests that will be in the new Public Places Executive portfolio (the remainder of Arts, Sports and Public Places being in Community Wellbeing).

- 1.5 The outturn position for Housing Revenue Account (HRA) has been reported to Housing Management Board and the Executive Councillor for Housing on 4 June 2013.

Revenue Outturn

- 1.6 The 2012/13 final revenue budget for all portfolios is £21,451,350. The final outturn for the year is now £20,034,524 giving an overall under-spend of £1,416,826. Of this total under-spend requests for carrying forward budgets into the next financial year are being sought for £717,250, as detailed in Appendix C.

Capital Outturn

- 1.7 The latest approved capital budget for all portfolios is £33,614,000. Actual expenditure on capital schemes and programmes during 2012/13 is £20,237,000 giving an overall under-spend of £13,377,000. Of this net underspend £11,967,000 is due to net slippage and Council approval is sought to rephase the required capital resources from 2012/13 into 2013/14.

2. Recommendations

The Leader is recommended, taking account of the views of Executive Councillors and members of the Scrutiny Committees on the following proposals:

Revenue:

- a) To agree which of the final carry forward requests, totalling £717,250, as detailed in Appendix C, are to be recommended to Council for approval, subject to the final outturn position.

Capital:

- b) To seek approval from Council to carry forward (net) capital resources to fund re-phased capital spending of £11,967,000 as shown in Appendix D - Overview.

3. Background

Revenue Outturn

- 3.1 The revenue budget for 2012/13, initially approved by Council on 23 February 2012, was considered in the January 2013 Committee cycle and revised as appropriate. The final outturn position for all

portfolios, compared to final revenue budget, is presented in detail in Appendix A.

- 3.2 Explanations for the main variances from the final budget for 2012/13 have been reported to appropriate Executive Councillors / Scrutiny Committees and are reproduced as Appendix B.
- 3.3 Appendix C sets out the list of items, for all portfolios, for which approval is sought to carry forward unspent budget from 2012/13 to the next financial year, 2013/14.
- 3.4 A summary of the final revenue outturn position for all portfolios is shown below:

2012/13 General Fund Revenue Summary	£
Original Budget	19,157,090
Adjustments	2,294,260
Final Budget	21,451,350
Outturn	20,034,524
Net Variation / underspend for the year	(1,416,826)
Carry Forward Requests:	717,250
Net Variance and reduced use of General Fund Reserves	(699,576)

Capital Outturn

- 3.5 All capital schemes were reviewed in detail in January 2013 and the Capital Plan amended to account for rephasing and anticipated over/underspends on individual schemes.
- 3.6 Appendix D - Overview summarises the final outturn position against 2012/13 final capital budgets. Explanations for the main variances from final budgets for 2012/13 have been reported to appropriate Executive Councillors / Scrutiny Committees and are reproduced as Appendices D (General Fund Detail) and Appendix E (Housing). The net under-spend of £13,377,000 is mainly due to slippage.

- 3.7 The Capital Plan will be updated as necessary to reflect changes in the phasing of capital projects.

4. Implications

- 4.1 The net variance from final revenue budget, after approvals to carry forward £717,250 reserves from the current year into 2013/14 will result in a reduced use of General Fund reserves of £699,576.
- 4.2 The net over / underspend on capital budget, after re-phasing, will serve to increase the amount of funding available for future bids in respect of both General Fund and HRA. The overall position will be reviewed again in September and reported to Council in October.
- 4.3 In relation to requests to carry forward either revenue or capital budgets into 2013/14 the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

5. Background papers

These background papers were used in the preparation of this report:

- Reports for all Portfolios to the June 2013 Scrutiny Committee cycle

6. Appendices

- Appendix A - Revenue Budget 2012/13 - Outturn
- Appendix B - Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2012/13 - Carry Forward Requests
- Appendix D - Capital Budget 2012/13 - Outturn – Overview
- Appendix D - Capital Budget 2012/13 - Outturn – Detail (General Fund)
- Appendix E - Capital Budget 2012/13 - Outturn – Detail (HCIP)
- Appendix E - Notes to the Housing Capital Investment Plan (HCIP)

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name:

Author's Phone Number:

Author's Email:

Contact: John Harvey

Telephone: 01223 458143

Email: john.harvey@cambridge.gov.uk

General Fund Overview / Strategy & Resources Scrutiny Committee

Revenue Budget - 2012/13 Outturn

Committee	Original Budget £	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Community Services						
Arts, Sports & Public Places	5,553,970	7,042,080	6,912,673	(129,407)	200,650	71,243
Community Development and Health	3,092,920	3,173,500	3,093,050	(80,450)	16,000	(64,450)
Housing	2,716,760	2,890,510	2,746,137	(144,373)	241,330	96,957
Total	11,363,650	13,106,090	12,751,860	(354,230)	457,980	103,750
Environment						
Environmental & Waste Services	8,313,210	8,019,120	7,736,029	(283,091)	74,550	(208,541)
Planning & Climate Change	1,519,200	1,937,030	1,609,894	(327,136)	45,850	(281,286)
Total	9,832,410	9,956,150	9,345,923	(610,227)	120,400	(489,827)
Strategy & Resources						
Customer Services and Resources	(5,136,820)	(5,308,410)	(5,452,450)	(144,040)	105,170	(38,870)
Strategy	3,097,850	3,697,520	3,389,191	(308,330)	33,700	(274,630)
Total	(2,038,970)	(1,610,890)	(2,063,259)	(452,369)	138,870	(313,499)
Total Portfolios / Committees	19,157,090	21,451,350	20,034,524	(1,416,826)	717,250	(699,576)
						0
Capital Accounting Adjustments	(3,980,140)	(4,593,190)	(4,592,348)	842		842
Capital / Revenue Projects Expenditure Financed from Revenue	1,381,000	1,585,000	1,753,697	168,697		168,697
Contributions to Earmarked Reserves	1,079,750	1,761,580	1,750,940	(10,640)		(10,640)
Contributions (from) Earmarked Reserves		(313,540)	(316,218)	(2,678)		(2,678)
Other			(5,555)	(5,555)		(5,555)
Contributions to/(from) Reserves	(601,490)	(2,712,420)	(1,463,447)	1,248,973	(717,250)	531,723
	(2,120,880)	(4,272,570)	(2,872,930)	1,399,640	(717,250)	682,390
Net General Fund Spending	17,036,210	17,178,780	17,161,594	(17,186)	0	(17,186)
Financed by:						0
Government Formula Grant	(8,598,810)	(8,598,810)	(8,598,811)	(1)		(1)
Other Government Grants						0
Freeze Grant	(171,600)	(170,870)	(170,784)	86		86
New Homes Bonus	(1,521,540)	(1,521,550)	(1,521,543)	7		7
Other specific grants	0	(143,290)	(126,198)	17,092		17,092
Council Tax	(6,831,370)	(6,831,370)	(6,831,370)	0		0
Collection Fund (Surplus)/Deficit	87,110	87,110	87,112	2		2
Total Financing	(17,036,210)	(17,178,780)	(17,161,594)	17,186	0	17,186
Net Total	0	0	0	0	0	0

General Fund Overview / Strategy & Resources Scrutiny Committee

Revenue Budget - 2012/13 Outturn

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)
- and via technical adjustments/virements throughout the year

**Arts, Sport & Public Places Portfolio / Community Services Scrutiny
Committee**

**Revenue Budget 2012/13 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
Arts & Events	<p>Arts & Recreation</p> <p>Consultancy fees underspent by £16k, taken as a saving. £3k proposed as carry forward to cover anticipated additional electricity cost. Various small underspends across a wide variety of costs within the Arts & Events service</p>	(37,914)	E Midgley
Business & Marketing	<p>City Centre Box Office - This Cost Centre over achieved income in relation to On-Line Booking Fees in 2012/13, in previous years the over achievement has been offset against bank and credit card charges from the ticketing supplier. Due to the Box Office having it's own merchant id (MID), this has reduced the charges incurred significantly that we originally incurred and in addition there is also an underspend in relation to these costs.</p>	(22,613)	N Jones
	<p>Corn Exchange Marketing - This relates to miscoding of marketing brochure and some advertising costs to a Holding Account in the prior financial year rather than the Marketing Cost Centre</p>	20,051	N Jones
	<p>Distribution Service - an underachievement of income for 2012/13 has led to a service review which has led to a reduced budget for 2013/14</p>	31,659	N Jones
Cultural Facilities	<p>Corn Exchange Technical - An overspend of expenditure for heating (£16,771) together with an underachievement of income against budget for recharges to shows has resulted in this overspend.</p>	50,054	S Bagnall
	<p>Corn Exchange Front of House - As with Corn Exchange Technical this relates to an underachievement in casual staff recharges on events. This budget had a total salary cost underspend</p>	26,748	S Bagnall
Sport & Recreation	<p>Leisure Contract Client Costs - Underspend on consultancy fees for the renewal of the Leisure Contract. A carry forward request for £30,400 is being made.</p>	(28,025)	I Ross
Grants - Leisure	<p>Community Development</p> <p>An extra £125k was incorrectly budgeted to 12/13 for Arts Theatre funding which should be for 2013/14</p>	(129,838)	J Hanson

Community Development and Health Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Community Development	<p>Customer & Community Services - Community Development</p> <p>Various small variances</p>	(8,755)	T Woollams
Bereavement Services	<p>Customer & Community Services - Bereavement Services</p> <p>£26,000 is a result of a business rate refund, £11,000 is due to a vacant post and around £20,000 is additional net income.</p>	(55,695)	T Lawrence
Health Improvement Strategy	<p>Environment - Refuse & Environment</p> <p>In April 2013 the Health and Well Being board became a statutory board and will be delivering amongst a number of it's functions the Cambridgeshire Health and Well being Strategy. The transfer of public health to local authorities has almost been completed and the commissioning of services is currently being examined by the Local Commissioning Groups. The precise details are unknown at this stage and the carry forward is requested to accommodate the council's foreseeable requirements.</p>	(16,000)	J Lally
	Other minor variances	0	
	Total	(80,450)	

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Customer & Community Services - Housing Strategy, Development, Housing Advice, Private Sector Housing and Miscellaneous Housing			
CLG Homelessness Grant	Underspending in CLG Homelessness Grant for 2012/13. The CLG grant totalled £575,470 for 2012/13 and was part of a 4 year settlement for the spending review period. Local authorities are free to carry over underspent sums between financial years. A carry forward of this external grant balance is requested, in line with delegations given to the Head of Strategic Housing, to allow use of the monies in line with CLG expectations and existing commitments in respect of homelessness prevention work and homeless support activity.	(193,860)	D Greening
Homelessness Costs	Spending on bed and breakfast provision was higher than anticipated, particularly in the latter part of 2012/13, despite the introduction of alternative provision using our own housing stock. Additional alternative sources of emergency accommodation are being actively pursued.	82,209	D Greening
CLG Specialist Housing Advisor	Cambridge City Council agreed to host a Specialist Housing Advisor post, seconded from CLG for a year from July 2012, with a commitment until July 2013. The post is fully funded by the CLG and the balance of funding will be requested as a carry forward to honour the agreement.	(39,657)	D Greening
Supporting People	Costs of the Community Support Worker in 2012/13 were less than anticipated, as the post was not occupied from the start of the year. The transition to fixed price Supporting People contracts resulted in an underspend in 2012/13, but it should be noted that the future risk now resides with the City Council, as this is dependent upon housing benefit eligibility as the criteria for a fully funded service.	(18,265)	J Hovells
Contribution to the HRA for Shared Amenities	The contribution to the HRA for shared amenities was 4% higher than budgeted, due predominantly to increased incidence of bulky refuse removal on estates.	13,751	J Hovells
Home Aid / Home Improvement Grants	Additional income was received in 2012/13, with £25k of small value grant and loan repayments being repaid to the authority by the clients. This was partially offset by an increased contribution to the operational costs of Year 1 of the Shared Home Improvement Agency, where set up and hand over costs and the lead in to being fully operational required Cambridge City to contribute £20k more than originally anticipated.	(9,570)	H Reed

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Development	Employee costs overspent due to cover for extended staff illness. Internal fee cross charge less than budgeted as new build schemes had not progressed as quickly as anticipated.	8,491	A Carter
Housing Advice Service	Employee costs overspent due to the need to employ additional temporary staff to accommodate the increased workload associated with the review of the Housing Register.	7,299	D Greening
125 Newmarket Road	Rental income for 2012/13 was lower than anticipated due to the lease arrangements for the premises, where not all space was occupied, and therefore sub-let during the year.	6,830	D Greening
Minor Variations		3,154	
Total		(139,618)	
Environment - Refuse and Environment			
Minor Variations		(4,755)	
Total		(4,755)	
Total for Housing Portfolio / Community Services Scrutiny Committee		<u>(144,373)</u>	

Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Cost Centre	Reason for Variance	Amount £	Contact
Trade Refuse	<p style="text-align: center;">Environment - Waste & Recycling</p> <p>Underspends in relation to waste disposal costs of £50k due to a reduction in waste to landfill, underspend on employee related budgets of £21k and vehicle maintenance and materials budgets of £48k. Overachievement of within income budgets mainly from commingled recycling services at colleges and unpredictable income relating to the sale of bins of £105k.</p>	(223,597)	C Hipwood

Planning & Climate Change / Environment Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Car Parks	<p>Environment - Parking Services</p> <p>Underspend of £143,480 is a combination of over achievement against anticipated income and underspends within service provision of building maintenance, staffing, energy/electricity usage and credit card handling costs. This represents a variation of 8.08% compared to revised budget.</p>	(143,480)	Paul Necus
City Development	<p>Environment - Planning</p> <p>Underspend on advertising costs resulting from a reduction in the number of minor and other planning applications. Underachievement on fee income from minor and other applications, overachievement on major applications.</p>	(77,675)	Patsy Dell
Urban Design & Conservation	<p>Underspend due to delays in completion of both the Pro-Active Conservation programme and the Historic Signage Project. A request to carry forward both unspent budgets is included in Appendix C.</p>	(39,864)	Patsy Dell
Taxicard Service	<p>This is a result of reduced take up in the Taxicard service in 2012/13.</p>	(22,605)	Patsy Dell

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Resources			
Finance - General	Of this overall variance £66k relates to impairment of Icelandic Bank deposits, as a consequence of changes in the expected profile of repayments. (The overall percentages which the Council expects to recover remain unchanged.) Of the remaining variance the majority, £30k, reflects a larger proportion of investment interest receipts being attributable to the Housing Revenue Account as a result of higher than anticipated HRA balances.	94,544	Julia Minns
General Properties and Grand Arcade	The variance is primarily due to the receipt of one-off additional rental income of £39,884 following the completion of the rent audit for the Grand Arcade shopping centre during the latter stages of the 2012/13 financial year.	(30,755)	Philip Doggett
Mill Road Support Services	The variance is largely due to the delay in recruiting to vacant posts following the Support Services restructure.	(28,663)	Althea Mejias
Customer and Community			
Revenue and Benefit Services	The main variances are due to unspent Homelessness Prevention Funding of (£41,910) for which a carry forward of budget is requested (see Appendix C), higher than forecast recovery of benefit overpayments from claimants no longer claiming benefits of (£11,581), higher than forecast recovery of Local Taxation legal costs of (£16,887) and higher than forecast Local Taxation Court costs recovered of (£46,739) - £280,009 collected against forecast of £233,270 (a one-off increase of £46,739).	(128,703)	Alison Cole
Environment			
Land Charges and Searches	Over achievement of fee income as a result of an increase in the number of Land Charge requests over the last 2 quarters.	(24,567)	Paul Boucher
Tourism	Commercial and Guided Tours income was lower than the same period last year. This was due to a 25% reduction in footfall as a result of very poor weather and the Olympics having a negative effect on local tourism. The final outturn position was reduced through the introduction of daily monitoring of income performance from the beginning of January 2013. This will now continue moving forward. The service is reviewing all its income generating activity and identifying opportunities to both increase footfall to the TIC, whilst also reducing dependency on income through the TIC. In light of the challenge with the Tourism service, other cost centres within the service were equally closely monitored, resulting in a net £8k overspend across the Tourism and City Centre Management service as a whole.	30,235	Emma Thornton

**Customer Services & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2012/13 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
Support Services Accountancy and Support Services	Net underspending for the year predominantly relates to employee budget underspending of £13,620 reflecting an overprovision for employer pension fund contributions, combined with an underspending of the budget for recruitment. The balance relates to net underspending of various supplies and services budgets.	(27,220)	Julia Minns
Human Resources	The underspend includes the balance of the organisational change budget of £63,260, which has been allocated to the Managers' Skills programme. The Managers' Skills programme has now been implemented and will be completed by August 2014. A carry forward of budget of £63,260 will be required to complete the programme (see Appendix C). The remaining variance relates to minor employee cost and supplies and services underspends.	(103,614)	Deborah Simpson
IT	The variance is mainly due to minor underspends on IT Contract costs.	(48,628)	James Nightingale

Strategy Portfolio / Strategy & Resources Scrutiny Committee

**Revenue Budget 2012/13 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
Corporate Strategy	A number of small underspends on various budget heads	(25,090)	A Limb
CCTV	Underspend on salaries of £10k and final work on repairs after Control room flood - there is a carry forward request for £9k to cover the cost.	(21,561)	M Beaumont
Community Safety	<p>Underspending in Community Safety resulted predominantly from a combination of delays in recruiting to the role of Neighbourhood Resolution Panel Co-Ordinator (£14,300) and under-spending in Safer City grants during 2012/13 (£41,100). Carry forwards requests are made in respect of the salary costs of the above post and for the proportion of grants where commitments were given in 2012/13, but grants were not actually paid.,</p> <p>Major variances include underspends of:</p> <p>£109k IT due to a larger than usual number of IT development days being charged to capital for infrastructure projects so overall there is a net underspending on the revenue budgets provided for development days.</p> <p>£48k Pensions - early retirements costs were less than the service budget provision</p> <p>£50k Central Overheads - the majority of which, £27k, relates to a reduction in expenditure on external audit fees following transfer from Audit Commission to the new regional contract provider, Ernst & Young.</p>	(62,064)	L Kilkelly
Central Provisions, Centrally allocated costs and Corporate & Democratic Services	<p>£185k relating to a number of services which clear their balances to this centre and the main reasons were reported to CS&R (namely £103k Human Resources, £27k Accountancy and Support Services, £44k IT due to minor underspends on IT Contract costs).</p> <p>and overspends of:</p> <p>£33k Maternity Fund - by its very nature expenditure is difficult to forecast and this budget has overspent. The base budget provision of £164k was supplemented by £80k in the Budget-Setting Report.</p> <p>£59k Fleet - an under-recovery of costs which should be offset by underspends on service transport budgets</p> <p>In addition £77k relates to the anticipated saving in temporary and agency staff costs under the Comensura contract that was budgeted for centrally, so effectively shows as an apparent overspend here, but to offset this the saving should therefore show as underspends across the authority.</p>	(195,025)	John Harvey

Arts, Sport & Public Places Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item		Request £	Contact
	Streets & Open Spaces - River Frontage Management		
1	Business Rates on Moorings from prior years awaiting assessment	19,250	A Wilson
2	Tree planting programme (ongoing scheme)	23,000	A Wilson
	Arts & Recreation - Folk Festival		
3	£3k proposed as carry forward to cover anticipated additional electricity cost.	3,000	E Midgley
	Arts & Recreation - Sport & Recreation		
4	Payment for RPIX budget to move over to offset Leisure Contract Management Fees from contract variations. Carry forward request for £30,400 for Consultant	30,400	I Ross
	Community Development - Grants		
5	An extra £125k was incorrectly budgeted to 12/13 for Arts Theatre funding which should be for 2013/14	125,000	J Hanson
	Total Carry Forward Requests for Arts, Sport & Public Places Portfolio / Community Services Scrutiny Committee	200,650	

Community Development and Health Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14 and future years

Item		Request £	Contact
	<p>Environment - Refuse and Environment</p> <p>In April 2013 the Health and Well Being board became a statutory board and will be delivering amongst a number of it's functions the Cambridgeshire Health and Well being Strategy. The transfer of public health to local authorities has almost been completed and the commissioning of services is currently being examined by the Local Commissioning Groups. The precise details are unknown at this stage and the carry forward is requested to accommodate the council's foreseeable requirements.</p>	16,000	J Lally
	<p>Total Carry Forward Requests for Community Development Portfolio / Community Services Scrutiny Committee</p>	16,000	

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14 and future years

Item		Request £	Contact
	Director of Customer & Community Services		
1	CLG Homelessness Grants - Carry forward of these external grant balances are requested to allow existing commitments in respect of homelessness prevention work and support activity to be fully met. This grant is no longer ring-fenced, but local authorities are strongly encouraged to utilise the resource for the purpose it was awarded, with the Head of Strategic Housing having delegated authority to approve spending across the spending review period.	193,860	D Greening
2	The authority committed to hosting a secondment from CLG for the period from July 2012 for one year, employing a Specialist Housing Advisor. The balance of funding is requested as a carry forward to allow the authority to fulfil their obligations under the agreement.	39,650	D Greening
	Director of Environment		
3	A carry forward of the underspend of the Compulsory Purchase Order revenue budget to 2013/14 is requested in order to carry out CPO work, if necessary, next year.	7,820	R Lord
	Total Carry Forward Requests for Housing Portfolio / Community Services Scrutiny Committee	241,330	

Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item		Final Request £	Contact
	Director of Environment		
1	Recycling Strategy - There was a delay in the appointment of the two year fixed post of recycling champion coordinator. Therefore a carry forward of the balance of the budget to 2013/14 is requested.	6,550	J Robertson
2	Grounds Maintenance - Planned training across the Streets and Open Spaces service did not take place in 2012/13. Training will take place in 2013/14 and therefore a carry forward of this budget is requested.	68,000	T Ainley
	Total Carry Forward Requests for Environmental & Waste Services Portfolio / Environment Scrutiny Committee	74,550	

Planning & Climate Change / Environment Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2011/12 into 2012/13 and future years

Item		Final Request £	Contact
	Director of Environment		
1	Urban Design & Conservation - To complete the remaining priorities of the Pro-Active Conservation work programme as agreed at Environment Scrutiny Committee in March 2013 ref 13/26/ENV (improved use of IT for cataloguing Listed Building information and Conservation Area reviews).	24,490	Patsy Dell
2	Urban Design & Conservation - To complete the approved programme of works relating to the Historic Signage Project as agreed at Environment Scrutiny Committee in January 2013.	15,000	Patsy Dell
3	Walking & Cycling Strategy - At the Members Cycling & Pedestrian Steering Group meeting of 15 March 2013 a grant for Bikewiser CIC of £4,850 was approved, subject to the group finding suitable premises. It was agreed that the funding should be carried over into the next financial year (2013/14) in the meantime. The balance of the carry forward request (£1,510) is for the Pushchair scheme and related promotional expenditure that has been delayed until 2013/14.	6,360	Toni Ainley
	Total Carry Forward Requests for Planning & Climate Change Portfolio / Environment Scrutiny Committee	45,850	

**Customer Services & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item	Reason for carry forward request	Carry Forward Requests £	Contact
1	<p>Revenue and Benefit Services Request to carry forward unspent Homelessness Prevention funding of £41,910 to support Discretionary Housing Payments as outlined within the report to Strategy & Resources Scrutiny Committee on 9 April 2013.</p>	41,910	Alison Cole
2	<p>Human Resources The HR service underspend includes the balance of a corporate budget earmarked to support organisational change and allocated to the Managers' Skills Programme. There is a request to carry forward the balance of £63,260 to complete the programme. The Managers' Skills programme has been implemented and will be completed by August 2014.</p>	63,260	Deborah Simpson
	Total Carry Forward Requests for Customer Services & Resources Portfolio	105,170	

Strategy Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14 and future years

Item		Amount £	Contact
1	<p>Director of Environment</p> <p>Carry forward request for £9k to cover the cost of the final work on repairs after Control room flood.</p>	9,000	M Beaumont
2	<p>Director of Customer & Community Services</p> <p>A carry forward is requested in respect of the salary for the Neighbourhood Resolution Panel Co-Ordinator, where recruitment to the role funded for a 2 year period took longer than anticipated (£14,300) and in Safer City and Community Safety Grants (£10,400), to meet commitments identified, but not fulfilled during 2012/13.</p>	24,700	L Kilkelly
Total Carry Forward Requests for Strategy Portfolio / Strategy & Resources Scrutiny Committee		33,700	

Public Places Portfolio /Environment Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item		Request £	Contact
	Streets & Open Spaces - River Frontage Management		
1	Business Rates on Moorings from prior years awaiting assessment	19,250	A Wilson
2	Tree planting programme (ongoing scheme)	23,000	A Wilson
	Total Carry Forward Requests for Public Places Portfolio / Environment Scrutiny Committee	42,250	

Appendix D - Overview

Overview (Committees and Housing Capital Investment Plan) / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Committee	Original Budget £000	Final Budget £000	Outturn £000	Variance £000	Rephase £000	Over / (Under) Spend £000
Community Services:						
Arts, Sports & Public Places	2,656	1,911	1,229	(682)	725	43
Community Development and Health Housing	1,324 29	898 204	727 174	(171) (30)	183 32	12 2
Total Community Services	4,009	3,013	2,130	(883)	940	57
Environment:						
Environmental & Waste Services	1,146	944	683	(261)	216	(45)
Planning & Climate Change	2,450	385	223	(162)	160	(2)
Total Environment	3,596	1,329	906	(423)	376	(47)
Strategy & Resources:						
Customer Services & Resources	3,582	5,515	4,088	(1,427)	881	(546)
Strategy	173	173	143	(30)	33	3
Total Strategy & Resources	3,755	5,688	4,231	(1,457)	914	(543)
Total Committees	11,360	10,030	7,267	(2,763)	2,230	(533)
Housing Revenue Account (HRA)	21,663	21,868	11,539	(10,329)	9,586	(743)
Housing General Fund	802	1,716	1,431	(285)	151	(134)
Total for Housing Capital Investment Programme	22,465	23,584	12,970	(10,614)	9,737	(877)
Total Capital Plan	33,825	33,614	20,237	(13,377)	11,967	(1,410)

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

The above figures exclude:

- schemes transferred to the Hold List in the Budget Setting Report 2012/13
- schemes devolved to Area Committees in the Budget Setting Report 2012/13

Arts, Sport & Public Places Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
Customer & Community									
SC072	Poster Boards	N Jones	0	0	1	1	(1)	0	Planning application now approved for new poster board at Newmarket Road. Poster board to be purchased and erected on site with the remainder of the budget.
SC282	Kettle's Yard	D Kaye	40	0	0	0	0	0	Budget rephased at January 2013 committee
SC349	Fencing and Security at Jesus Green Pool	I Ross	0	0	8	8	0	8	Works complete
SC361	Disabled Access and Facilities - Guildhall Halls	S Bagnall	80	25	0	(25)	25	0	Initial £25k will be spent by June 2013. Remaining budget on hold pending investigation into disabled access options to Guildhall stage.
SC405	Improvements to play areas & open space at land behind St Matthews Street	I Ross	0	0	4	4	0	4	Works complete

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC436	Pye's Pitch Rec Facilities (S106)	I Ross	40	12	9	(3)	3	0	Access and steps completed. Final works to gated entrance underway. Project underspend to be returned until viable option for changing rooms can be found
SC441	Sheeps Green Canoe Clubhouse Extension (S106)	I Ross	(5)	(1)	6	7	0	7	Project complete.
SC450	Changing Facilities at Cherry Hinton Village Centre (S106)	I Ross	70	68	73	5	0	5	Project complete subject to contract retentions
SC460	Kings Hedges Learners Pool Electricity	I Ross	25	5	13	8	0	8	Project complete - No further works able to be carried out - Potential further projects and investments as part of leisure management procurement.
SC461	Jesus Green Skatepark Upgrade (S106)	I Ross	5	5	7	2	0	2	Project complete.
SC469	Vie Public Open Space (S106)	I Ross	16	15	6	(9)	9	0	Project almost complete subject to contract retentions
SC471	Parkside Changing Rooms	D Kaye	0	21	9	(12)	0	(12)	Project complete.
SC476	Water Play Area Abbey Paddling Pool (S106)	I Ross	55	50	0	(50)	50	0	Project now includes additional funds for Public Art contributions to enhance project. Delivery rescheduled to complete by March 2014.
SC477	Coleridge Paddling Pool Enhancement (S106)	I Ross	40	50	0	(50)	50	0	Project now includes additional funds for Public Art contributions to enhance project. Delivery rescheduled to complete by March 2014.
SC478	Water Play Area Kings Hedges "Pulley" (S106)	I Ross	80	50	0	(50)	50	0	Project now includes additional funds for Public Art contributions to enhance project. Delivery rescheduled to complete by March 2014.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC512	Hobbs Pavilion Refurbishment (\$106)	I Ross	140	210	206	(4)	4	0	Coming in under budget. Projected completed cost of £215,000
SC522	New Sound Equipment at Corn Exchange	S Bagnall	200	0	0	0	0	0	Budget rephased at January 2013 committee
SC545	Parkside Pool Variable Speed Drive	I Ross	0	44	43	(1)	9	8	Project complete apart from electronic interface between Abbey and Parkside Pools (see funding from SC546)
SC546	Abbey Pool Variable Speed Drive	I Ross	0	46	28	(18)	0	(18)	Project complete, part funding to be transferred to SC545 as a linked scheme.
SC547	Corn Exchange Lift Replacement	S Bagnall	0	0	17	17	0	17	Project incorrectly deleted in January 2013 Scutiny Committee (Original Budget £15,000)
SC553	Corn Exchange House Lighting LED Upgrade	S Bagnall	0	40	43	3	0	3	Project complete
SC575	Corn Exchange Stage Lift	S Bagnall		60	60	0	0	0	Project complete

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC576	Thermal Pool Covers	I Ross		23	23	0	0	0	Project complete
Environment									
SC234	Histon Road Cemetery Landscaping (S106)	A Wilson	0	5	0	(5)	5	0	Projects to be identified
SC347	Histon Road - Refurbishment of play area (S106)	A Wilson	0	3	11	8	0	8	Project complete
SC348	Allotment Improvements (S106)	A Wilson	17	0	3	3	(3)	0	Budget was rephased to 2013/14 as agreed at January 2013 Community Services Scrutiny committee.
SC396	Ravensworth Gardens - Remedial & Improvement Work	A Wilson	25	25	25	0	0	0	Project complete.
SC410	Mill Road Cemetery	A Wilson	0	0	3	3	0	3	Project complete.
SC432	Mill Road Cemetery Memorial Artwork (S106)	A Preston	51	41	9	(32)	32	0	This project has experienced significant delays due to the requirement for faculty approval from the dioceses for work to the cemetery. This approval has finally been received and the project can now be implemented by the artist.
SC433	Snowy Farr Memorial Artwork (S106)	A Preston	40	43	44	1	0	1	Project complete.
SC435	Biodiversity Projects Year 2 & 3	G Belcher	0	5	5	0	0	0	Project complete.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC456	Coldhams Common LNR Extension (S106)	G Belcher	54	41	33	(8)	8	0	Project on hold. Awaiting feedback from Friends of Coldhams Common proposed revision prior to further stakeholder consultation.
SC474	Cherry Hinton Hall Grounds Improvements - Phase 1 (S106)	A Wilson	75	40	21	(19)	19	0	Pathway and remedial works to be completed in 2013/14.
SC479	Abbey Pool Play Area Facilities (S106)	A Preston	89	0	3	3	(3)	0	Further consultation now required to determine whether the play area should be split to improve access. A S38 application/planning application will then be required following the outcome of the consultation, should the consensus be that the play area should be split/partly relocated.
SC492	Jesus Green Play Area (S106)	A Preston	152	0	4	4	(4)	0	S38 and Planning Applications now submitted, which has led to the delay in completion of this project. The outcome of this could impact further on programme.
SC493	Jesus Green Tennis Court (S106)	A Preston	91	115	102	(13)	3	(10)	Project complete. Final retention due in 2013/14
SC494	Kings Hedges "Pulley" Play Area (S106)	A Preston	75	74	3	(71)	71	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.
SC496	Petersfield Play Area (S106)	A Preston	78	67	3	(64)	64	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC497	Peveral Road Play Area (S106)	A Preston	88	87	3	(84)	84	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.
SC499	Outdoor Fitness Equipment in Parks (S106)	A Preston	120	0	0	0	0	0	Scheme removed from the Capital Plan.
SC500	Trumpington Rec Outdoor Space (S106)	A Preston	48	47	46	(1)	1	0	Project complete. Some retention monies retained.
SC519	Wulfstan Way Art Project (S106)	N Black	45	42	43	1	0	1	Project complete.
SC520	Community Olympic Public Art Commission (S106)	N Black	129	106	104	(2)	0	(2)	Project complete.
SC521	Creation of New Allotment Site	A Wilson	15	19	19	0	0	0	Project complete.
SC544	Coleridge Recreation Ground Improvements (S106)	A Wilson	289	0	0	0	0	0	Budget rephased to 2013/14 as agreed at January 2013 Community Services Scrutiny committee.
SC548	Southern Connections Public Art Commission (S106)	N Black	0	4	2	(2)	2	0	Project on target
	Active Communities Small Projects (under £15k) (S106)	A Preston	0	0	10	10	0	10	S106 funds to be allocated towards minor projects.
PR010a	Environmental Improvements Programme - North Area	A Preston	98	43	47	4	(4)	0	Allocated spend to year end achieved.
PR010b	Environmental Improvements Programme - South Area	A Preston	55	8	7	(1)	1	0	Some delay to the delivery of projects from unexpected results from consultation and delays through working with the County Council.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR010c	Environmental Improvements Programme - West/Central Area	A Preston	74	111	38	(73)	73	0	Delays to the delivery of the Grantchester Road Traffic Calming project and underspends through the delivery of schemes at a lower cost.
PR010d	Environmental Improvements Programme - East Area	A Preston	87	45	45	0	0	0	Allocated spend to year end achieved.
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Preston	0	25	(7)	(32)	32	0	Final invoice awaited from County Council.
PR010j	Environmental Improvements Programme - Fitzroy/Burleigh Street	A Preston	0	88	18	(70)	70	0	Final invoice awaited from County Council.
PR010k	Environmental Improvements Programme - Wulfstan Way Local Centre (S106)	A Preston	0	29	29	0	0	0	Project complete.
PR027	Replacement of Parks & Open Space Waste/Litter Bins	A Wilson	75	75	0	(75)	75	0	Procurement team has met. Working up tender and looking at options for summer 2013.
Total for Arts & Recreation Portfolio			2,656	1,911	1,229	(682)	725	43	
Total for Arts & Recreation Portfolio			2,656	1,911	1,229	(682)	725	43	
Devolved to Area Committees			717						
Total reported			3,373						

Changes between original and final budgets may be made to reflect:

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

The above figures exclude:

- schemes transferred to the Hold List in the Budget Setting Report 2012/13
- schemes devolved to Area Committees in the Budget Setting Report 2012/13

Community Development & Health Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
Customer & Community Services - Community Development									
SC283	City Centre Youth Venue (S106)	T Woollams	100	0	0	0	0	0	In October 2012, following extensive consultation with young people, it was agreed at Community Services Scrutiny not to pursue a city centre youth venue and so the budget has been removed from the capital plan. A programme of youth work, informed by the consultation, was agreed at Community Services Scrutiny in March 2013 and is being progressed within existing service budgets.
SC385	Energy Efficiency Programme - Meadows	T Woollams	13	14	14	0	0	0	Project completed.
SC406	The Junction Development Programme (S106)	T Woollams	2	0	0	0	0	0	Project completed.
SC410	King George Vth Rec Ground Pavilion Redevelopment - Consolidated Scheme (S106)	T Woollams	32	26	10	(16)	16	0	Project awaiting planning permission to continue. Rephase to 2013/14.
SC526	Clay Farm Community Centre - Phase 1 (S106)	A Carter	420	179	183	4	0	4	Project on programme
PR025	New Town Community Development Capital Grants Programme (S106)	T Woollams	114	47	47	0	0	0	Remaining budget was rephased to 2013/14.
PR026	Community Development Grants Programme (S106)	T Woollams	373	429	322	(107)	107	0	Includes many capital projects reliant on voluntary organisations delivering projects to programme.

Community Development & Health Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
Environment - Bereavement Services									
SC519	Mercury Abatement	T Lawrence	0	100	108	8		8	Project completed. Unforeseen and essential repairs to the roadway at the Crematorium following the completion of the crematory project have cost £23k. The building works retention of £31k will be paid as and when snagging is complete (dispute between contractors). The consequent marginal overall project overspend (project budget £2M - £38k = 1.8%) will be funded from Repairs and Renewals and will not require further committee approval as the overall forecast expenditure is within the original budget approval. Contractors are expected to re-level floor of crematory on 13 May. The final costs for the upgrade and connection to the Council's IT infrastructure, currently undergoing testing following delays outside our control, are still being quantified and will be similarly funded from Repairs & Renewals contributions within the original project approval but are not shown in the forecast spend to year end at this time.
SC523	Refurbishment of Newmarket Rd Cemetery Buildings	T Lawrence	120	78	43	(35)	35	0	Original target date of 31 March 2013, revised to 30 April 2013, which has been agreed with Ex Cllr via HoS. Project on target, despite one week delay due to the need for a small redesign of the roofing steel work. Underspend due to a delay in commencement of contract and delivery and installation of steelworks. Project completion date delayed to Friday 10th May following change in sanitary ware necessitated by discovery of syringes and sharps.

Community Development & Health Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC524	Cambridge Crematorium - Chapels & Public Areas Refurbishment	T Lawrence	120	25	0	(25)	25	0	Phase 1: East Chapel Waiting Room - decision of selected contractor(s) for minor construction and subsequent decoration works expected to occur week of 13 May. Completion of these works is expected by 30 June 2013. Procurement of associated soft furnishings and furniture continues.
SC525	Cambridge Crematorium - Staff Room Refurbishment	T Lawrence	30	0	0	0	0	0	Project incorporated into main refurbishment works. Original plan aborted due to unforeseen subsidence damage, resulting in an alternative option for a staff refreshment facility being agreed and relocated on the crematorium site. Change of use to original building to be explored via the business plan during 2015-2016.
Pa			1,324	898	727	(171)	183	12	
Capital for Community Development & Health Portfolio			1,324	898	727	(171)	183	12	

Changes between original and final budgets may be made to reflect:

- re-phased capital spend from the previous financial year
- re-phased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

Housing Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC414	Property Accreditation Scheme	R Lord	0	25	41	16	(16)	0	This grant funding is dependant on applications made by landlords who wish to join the property accreditation scheme and improve the energy efficiency of their houses. The final spend was greater than anticipated in January when the budget was rephased. It is requested that some of the rephased budget in 2013-14 be brought back to fund the spend in 2012-13.
SC527	Energy efficiency Improvements to private sector housing	J Dicks	0	150	102	(48)	48	0	Some of the remaining fund was not spent by original target completion date because of the premature withdrawal of the Govt. CERT Scheme. It is requested that the unspent budget is rephased in order that it is spent in the first quarter of 2013/14. Officers will work with qualifying contractors to progress agreed work during the early part of the new financial year.
SC529	Changes to office layout for Housing Options / Choice Based Lettings	D Greening	29	29	31	2	0	2	Building work to accommodate the restructured Housing Advice Service on the ground floor of Hobson House was carried out during 2012/13, with the total cost being approximately £2,000 more than originally anticipated.
Total Projects						(30)	32	2	

Housing Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV163	Compulsory Purchase Orders (CPOs)	R Lord	0	0	0	0	0	0	Currently no properties are prioritised for CPO action. Revising policy and reviewing long term vacants.
PV386	HMOs - Management Orders	R Lord	0	0	0	0	0	0	No properties are currently identified for action. Basis of protocol agreed with City Homes who will manage properties where action is taken
Total Provisions									
PP001	Housing Capital Investment Programme	J Hovells	22,465	23,584	12,970	(10,614)	9,737	(877)	See Appendix E and associated notes in respect of the Housing Capital Investment Plan
Total Programmes			22,465	23,584	12,970	(10,614)	9,737	(877)	
Total for Housing			22,494	23,788	13,144	(10,644)	9,769	(875)	

Page 69

Changes between original and final budgets may be made to reflect:

- re-phased capital spend from the previous financial year
- re-phased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

**Environmental and Waste Services Portfolio / Environment Scrutiny Committee
Capital Budget 2012/13 - Outturn**

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC423	Recycling Bins for Flats	J Robertson	0	90	65	(25)	25	0	Further commingled recycling bins to be provided to certain flats next year, although the majority of this work has been completed in 2012-13. This work is included in the Operational Plan for the coming year.
SC511	Route Optimisation Software	C Hipwood	0	2	2	0	0	0	Project Complete
Sc530	Street Cleaning Planning Software	B Carter	15	15	0	(15)	15	0	The section is currently completing a review of Street Cleansing and the outcomes of a review by Improvement East. It is possible that the Contender system will be able to do some of the work that this budget was requested for and it is asked that this budget is carried over to 2013-14 when the review is completed.
SC531	In Cab Technology for Trade Waste Service	M Patsons	16	16	5	(11)	11	0	The pilot project has been extended until 31/5/2013 due to hardware reliability issues. The retention balance is payable on completion. Phase 2 will follow once the pilot project has been signed off.
	Total Projects		31	123	72	(51)	51	0	
PR016	Public Conveniences	B Carter	450	21	21	0	0	0	
PR017	Vehicle Replacement Programme	D Cox	540	672	461	(211)	166	(45)	The variance is due to two vehicles being placed on hold waiting for the decision whether or not to replace. The vehicles are on back order with the factory. This amounts to £166K. The balance of £50k is not required.
PR028	Litter Bin Replacement Programme	B Carter	125	125	112	(13)	13	0	Phase 1 was completed at 31st March 2013.
PR035	Waste & Recycling Bins - New Developments (S106)	J Robertson	0	3	17	14	(14)	0	The spend in the current year was greater than expected. Profiling dependent on new properties being occupied.
	Total Programmes		1,115	821	611	(210)	165	(45)	

Environmental and Waste Services Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
Total for Environmental and Waste Services Portfolio			1,146	944	683	(261)	216	(45)	

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

Planning and Climate Change Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC366	Green Parking Bays	S Cleary	2	0	0	0	0	0	Project complete.
SC416	UNiform e-consultee Access Module	P Boucher	8	0	0	0	0	0	Project commencement dependent upon Corporate upgrade of IDOX DMS V4. Not being released until Summer 2013.
SC417	Development of UNiform System	P Boucher	14	8	8	0	0	0	Funding is spread over the implementation of a number of sub modules of Uniform. Project 1 - Conditions Monitoring Module - Completed April 2013. Project 2 - Enforcement Module implementation in progress estimated completion December 2013.
SC439	LED Lighting - Grand Arcade Annex Car Park	S Cleary	0	0	(6)	(6)	0	(6)	Project complete.
SC448	Rebuild Grafton West Car Park Wall at Salmon Lane	S Cleary	0	0	2	2	0	2	Project complete.
SC449	Holy Trinity War Memorial Shelter	G Richardson	0	11	12	1	0	1	Project complete.
SC505	Land Explorer Software	G Richardson	10	0	7	7	(7)	0	Original budget largely spent in March 2013 through purchase of ESRI 3-D model data, approximately £2.7k left to purchase upgrade of data. Model will be helpful to wide variety of planning and design work.

Planning and Climate Change Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC506	Replacement Grand Arcade Car Park Pay on Foot Machines	S Cleary	400	14	12	(2)	2	0	The value of this project is £400K. All monies spent to date have been on consultant costs to prepare and evaluate tender but is part of the overall project cost. The main spend for this project will be in 2013/14 with a 1 year retention fee paid in Sept 2014 (5% of overall contract fee). Procurement lead in time, product development to come onto the market and the need to manage installation to avoid Christmas peak period has meant that implementation of this project has been rephased to 2013/14.
SC510	Chip & Pin Upgrade in Car Parks	S Cleary	0	0	1	1	0	1	Project complete.
SC516	Relocation Grand Arcade Car Park Control Room	S Cleary	0	49	48	(1)	1	0	Building project completed May 2012. Retention fees overlooked during financial planning. £10k fees will be required for release in May 2013.
SC533	Improvement to St Lighting Mill Rd - Railway Bridge to Perne Road	A Preston	60	60	60	0	0	0	Project complete.
SC534	Refurbishment of Park Street Car Park	S Cleary	0	0	9	9	(9)	0	Option appraisal currently being undertaken, considering best value redevelopment for site. Exact project costs can not be determined until a final decision is made by council on the future of the car park.
SC535	Repairs to Grafton West Car Park	S Cleary	150	0	2	2	(2)	0	Architects fees paid ahead of works programmed to start in August/September 2013.
SC536	Replace obsolete Shopmobility stock	S Cleary	15	15	15	0	0	0	Project complete.
SC549	City Cycle Park	A Preston	0	15	11	(4)	4	0	Project on programme.

Planning and Climate Change Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC570	Essential Structural/Holding repairs Park Street multi-storey Car Park	S Cleary	0	0	1	1	(1)	0	Architects fees paid ahead of programme of repairs expected to start in August 2013.
Total Projects			659	172	182	10	(12)	(2)	
PR014	Environmental Safety Fund	D Foley-Norman	11	0	0	0	0	0	Officers to determine potential schemes for allocation.
PR019	Car Parks Infrastructure and Equipment Replacement Programme	S Cleary	995	0	0	0	0	0	Budget removed from the Capital Plan. Future capital schemes to be brought forward on an individual project basis.
Total Programmes			1,006	0	0	0	0	0	
PV007	Cycleways	A Preston	338	88	16	(72)	72	0	The Downhams Lane project rights of way agreement now signed. Construction due to start in July 2013. Perme Rd/Radegund Rd Scheme now a £413k scheme with additional £240k externally secured from the DFT/Times cycling budget. Two new projects now being worked on for implementation in 2013/14.
PV018	Bus Shelters	A Preston	207	75	17	(58)	58	0	The bus shelter manufacturers lead in times would have pushed the majority of spend planned for this financial year into next. In addition, the client has changed their requirements therefore resulting in a test of the market for procurement purposes. This process has brought further delay to the project. The results from testing the market will be determined by the end of April 2013.

Planning and Climate Change Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV033B	Street Lighting	A Preston	40	0	0	0	0	0	This is dependent on the County Council's programme for street lighting, which is not known at this point.
PV532	Cambridge City 20mph Zones Project	P Dell	200	50	8	(42)	42	0	This scheme is in its early days. Cost to date is for ATC surveys. More costs will follow from April 2013 onwards.
Total Provisions			785	213	41	(172)	172	0	
Total for Planning and Climate Change			2,450	385	223	(162)	160	(2)	

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend	Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000				
SC335	Customer Access Strategy - IT Workstream	C Bolton	0	76	56	(20)	20	0	Project is nearing completion. Remaining budget is required for final project management/IT costs.					
SC537	Additional Desks and Interview Room in Customer Service Centre	C Bolton	25	25	28	3	0	3	Scheme completed. Overspend of £3k has been financed from repairs and renewals funding.					
SC538	Information Kiosks to be Installed in Local Area	C Bolton	25	25	0	(25)	25	0	Contract has been awarded. Kiosks to be installed by end of August 2013.					
SC555	Siemens Maintenance Contract	C Bolton	0	75	8	(67)	67	0	Contract has been awarded. Project will be completed in the 2013/14 financial year.					
SC508	E-Benefits	A Cole	0	5	0	(5)	5	0	Remaining budget is required for final project support/IT costs.					
SC552	Localisation of Council Tax - Implementation Costs	A Cole	0	84	73	(11)	11	0	Software purchased. The remaining budget is required for project support/IT costs.					
SC391	La Mimosa Punting Station	P Doggett	0	10	0	(10)	10	0	Investigating possible match funding by punt operators for a combined pontoon with storage facility.					
SC559	CBbid Software	K Jay	0	20	17	(3)	3	0	Remaining budget is required for final project support/IT costs.					
SC429	Telephony System Upgrade	J Nightingale	50	15	0	(15)	15	0	Project now planned for the 2013/14 financial year. (There is existing budget provision of £35k in the 2013/14 financial year.)					
SC541	Corporate PC Replacement Programme	J Nightingale	350	350	234	(116)	116	0	Due to supplier delays, procurement of laptops was not completed in March as planned. Procurement is now underway.					
SC550	Cambridge Future City Feasibility Study	J Nightingale	0	50	47	(3)	0	(3)	Scheme completed.					
SC312	Automated Energy Monitoring System	J Stocker	0	23	0	(23)	0	(23)	Capital budget no longer required. Currently negotiating with existing gas shipper for the installation of Automatic Meter Reading (AMR) meters. There will be an ongoing annual revenue expenditure commitment for data collection.					

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend	Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000				
SC362	Lighting and Power in Committee Rooms	J Stocker	15	15	15	1	1	(14)	14	0	0	0	0	Lighting design has been completed. Members' approval will need to be sought before completion of installation.
SC558	Boiler Replacement at Mill Road Admin Block	J Stocker	0	30	30	33	3	3	0	3	0	3	0	Scheme completed. Overspend of £3k has been financed from repairs and renewals funding.
SC507	Visit Cambridge Website	E Thornton	0	10	10	8	(2)	2	0	0	0	0	0	Carry forward of £2k requested which will be used towards the development of a mobile version of the Visit Cambridge website. This formed part of the original project specification. This has been delayed due to reduced staff resource due to maternity leave but will be delivered in the first half of next year.
SC539	Metered System for the Supply of Electricity on the Market	A White	50	0	0	0	0	0	0	0	0	0	0	Scheme re-phased to the 2013/14 financial year.
SC540	Electronic Market Management Software	A White	22	22	22	8	(14)	14	0	0	0	0	0	New system has gone live and is in final stages of testing integration with Oracle. Payment is in stages with final stage three months after successful implementation.
Total Projects			537	835	513	(322)	302	(20)						

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13	Final Budget 2012/13	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC554	Development of Land at Clay Farm	A Carter	0	2,113	1,752	(361)	361	0	The costs incurred are in respect of the Collaboration Agreement with Countryside. Rate of invoices from Countryside relate directly to rate of house-building which is variable and beyond our control. Target completion date is long stop date in draft Development Agreement and equates to four years from estimated planning approval. Budget of £361k needs to be re-phased to the 2016/17 financial year.
SC192	Development Land on the North Side of Kings Hedges Road	P Doggett	182	80	36	(44)	44	0	A contractor for the remaining Stage 2 infrastructure works has now been appointed. Following receipt of revised estimates from the managing agent, budget of £44k needs to be re-phased to the 2014/15 financial year.
SC221b	Lion Yard - Contribution to Works - Phase 2	P Doggett	1,793	1,200	679	(521)	0	(521)	This is a scheme whereby we contribute 25% of the overall cost of the capital works at Lion Yard. Further costs are due to be paid in the 2013/14 financial year. Following receipt of forecast cost information from the Lion Yard managing agent, the 2013/14 capital budget of £617k is deemed to be sufficient to fund the final scheme costs. The remaining 2012/13 capital budget of £521k does not therefore need to be carried forward to the 2013/14 financial year.
SC329	Corporate Document Management (DIP & EDRM)	J Nightingale	350	73	37	(36)	36	0	Following roll-out to services directly relating to the customer services centre bids are being sought from other services against the remaining balance. An updated position is scheduled to be reported in September 2013 including recommendations on the level of funding to be retained.
Total Provisions			2,325	3,466	2,504	(962)	441	(521)	

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend		Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
PR023	Admin Buildings Asset Replacement Programme	W Barfield	98	121	78	121	78	43	(43)	0	43	0	0	The Admin Buildings Asset Replacement work programme will be reviewed during the 2013/14 financial year following completion of new condition surveys.	
PR024	Commercial Properties Asset Replacement Programme	W Barfield	77	44	34	44	34	10	(10)	0	10	0	0	The Commercial Properties Asset Replacement work programme will be reviewed during the 2013/14 financial year following completion of new condition surveys.	
PR020	ICT Infrastructure Programme	J Nightingale	525	1,029	944	1,029	944	85	(85)	0	85	0	0	Slippage on several projects resulted in work not being completed to the original timescales. The relevant projects should be completed by end June/early July 2013.	
PR003	City Centre Management Programme	E Thornton	20	20	15	20	15	0	(5)	(5)	0	(5)	(5)	Scheme will continue to be promoted through the Cambridge BID and the city centre business community in general.	
Total Programmes			720	1,214	1,071	1,214	1,071	138	(143)	138	(5)	(5)	(5)		
Total for Customer Services & Resources Portfolio			3,582	5,515	4,088	5,515	4,088	881	(1,427)	881	(546)	(546)	(546)		

Strategy Portfolio / Strategy & Resources Scrutiny Committee
 Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget		Final Budget		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend	Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000				
SC542	Solar Thermal Panels/Energy efficiency measures on non-hsg properties	D Kidston	140	140	140	143			3	0	0			
SC543	Voltage Optimisation Roll-out	D Kidston	33	33	33	0			(33)	0	33			Mandela House: installation was scheduled for 23 March, but was delayed due to essential IT systems work in preparation for changes to Revenues and Benefits service as a result of new guidance from Department for Work and Pensions. Installation was successfully completed on 13 April 2013. Mill Road depot: Proposed installation at Mill Road: Not being progressed because the feasibility study revealed that the business case was not viable. Officers have established that there is a viable business case for installation of the technology at Grafton East car park, which is scheduled for 10 June 2013.
Total for Strategy Portfolio			173	173	173	143			(30)	0	33			

Changes between original and final budgets may be made to reflect:

- re-phased capital spend from the previous financial year
 - re-phased capital spend into future financial periods
 - approval of new capital programmes and projects
- and are detailed and approved:
- in the June/July committee cycle (outturn reporting and carry forward requests)
 - in September (as part of the Medium Term Strategy (MTS))
 - in the January committee cycle (as part of the budget setting report)

Public Places Portfolio within the Arts, Sport & Public Places to Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
Environment									
SC234	Histon Road Cemetery Landscaping (S106)	A Wilson	0	5	0	(5)	5	0	Projects to be identified
SC347	Histon Road - Refurbishment of play area (S106)	A Wilson	0	3	11	8	0	8	Project complete
SC348	Allotment Improvements (S106)	A Wilson	17	0	3	3	(3)	0	Budget was rephased to 2013/14 as agreed at January 2013 Community Services Scrutiny committee.
SC396	Ravensworth Gardens - Remedial & Improvement Work	A Wilson	25	25	25	0	0	0	Project complete.
SC410	Mill Road Cemetery	A Wilson	0	0	3	3	0	3	Project complete.
SC432	Mill Road Cemetery Memorial Artwork (S106)	A Preston	51	41	9	(32)	32	0	This project has experienced significant delays due to the requirement for faculty approval from the dioceses for work to the cemetery. This approval has finally been received and the project can now be implemented by the artist.
SC433	Snowy Farr Memorial Artwork (S106)	A Preston	40	43	44	1	0	1	Project complete.
SC435	Biodiversity Projects Year 2 & 3	G Belcher	0	5	5	0	0	0	Project complete.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC456	Coldhams Common LNR Extension (S106)	G Belcher	54	41	33	(8)	8	0	Project on hold. Awaiting feedback from Friends of Coldhams Common proposed revision prior to further stakeholder consultation.
SC474	Cherry Hinton Hall Grounds Improvements - Phase 1 (S106)	A Wilson	75	40	21	(19)	19	0	Pathway and remedial works to be completed in 2013/14.
SC479	Abbey Pool Play Area Facilities (S106)	A Preston	89	0	3	3	(3)	0	Further consultation now required to determine whether the play area should be split to improve access. A S38 application/planning application will then be required following the outcome of the consultation, should the consensus be that the play area should be split/partly relocated.
SC492	Jesus Green Play Area (S106)	A Preston	152	0	4	4	(4)	0	S38 and Planning Applications now submitted, which has led to the delay in completion of this project. The outcome of this could impact further on programme.
SC493	Jesus Green Tennis Court (S106)	A Preston	91	115	102	(13)	3	(10)	Project complete. Final retention due in 2013/14
SC494	Kings Hedges "Pulley" Play Area (S106)	A Preston	75	74	3	(71)	71	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.
SC496	Petersfield Play Area (S106)	A Preston	78	67	3	(64)	64	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC497	Peveral Road Play Area (S106)	A Preston	88	87	3	(84)	84	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.
SC499	Outdoor Fitness Equipment in Parks (S106)	A Preston	120	0	0	0	0	0	Scheme removed from the Capital Plan.
SC500	Trumpington Rec Outdoor Space (S106)	A Preston	48	47	46	(1)	1	0	Project complete. Some retention monies retained.
SC519	Wulfstan Way Art Project (S106)	N Black	45	42	43	1	0	1	Project complete.
SC520	Community Olympic Public Art Commission (S106)	N Black	129	106	104	(2)	0	(2)	Project complete.
SC521	Creation of New Allotment Site	A Wilson	15	19	19	0	0	0	Project complete.
SC544	Coleridge Recreation Ground Improvements (S106)	A Wilson	289	0	0	0	0	0	Budget rephased to 2013/14 as agreed at January 2013 Community Services Scrutiny committee.
SC548	Southern Connections Public Art Commission (S106)	N Black	0	4	2	(2)	2	0	Project on target
	Active Communities Small Projects (under £15k) (S106)	A Preston	0	0	10	10	0	10	S106 funds to be allocated towards minor projects.
PR010a	Environmental Improvements Programme - North Area	A Preston	98	43	47	4	(4)	0	Allocated spend to year end achieved.
PR010b	Environmental Improvements Programme - South Area	A Preston	55	8	7	(1)	1	0	Some delay to the delivery of projects from unexpected results from consultation and delays through working with the County Council.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR010c	Environmental Improvements Programme - West/Central Area	A Preston	74	111	38	(73)	73	0	Delays to the delivery of the Grantchester Road Traffic Calming project and underspends through the delivery of schemes at a lower cost.
PR010d	Environmental Improvements Programme - East Area	A Preston	87	45	45	0	0	0	Allocated spend to year end achieved.
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Preston	0	25	(7)	(32)	32	0	Final invoice awaited from County Council.
PR010j	Environmental Improvements Programme - Fitzroy/Burleigh Street	A Preston	0	88	18	(70)	70	0	Final invoice awaited from County Council.
PR010k	Environmental Improvements Programme - Wulfstan Way Local Centre (S106)	A Preston	0	29	29	0	0	0	Project complete.
PR027	Replacement of Parks & Open Space Waste/Litter Bins	A Wilson	75	75	0	(75)	75	0	Procurement team has met. Working up tender and looking at options for summer 2013.

Total for Public Places Portfolio	1,870	1,188	673	(515)	526	11
--	--------------	--------------	------------	--------------	------------	-----------

2012/13 Housing Capital Investment Plan - HRA & GF

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Re-phase Spend £000's	Notes	Re-Phasing Year				Budget 2013/14 £000's	
							2013/14 £000's	2014/15 £000's	2015/16 £000's	Post 2016/17 £000's		
General Fund Housing Capital Spend												
Investment in Affordable Housing	0	0	0	0	0							0
Other General Fund Housing	802	1,716	1,431	(285)	151	1						916
Total General Fund Housing Capital Spend	802	1,716	1,431	(285)	151							916
HRA Capital Spend												
Decent Homes Programme	9,054	10,658	6,889	(3,769)	3,415	2						11,827
Other Spend on HRA Stock	3,210	4,690	2,576	(2,114)	2,216	3						4,535
HRA New Build	5,088	4,250	1,075	(3,175)	3,173	4						15,150
Cambridge Standard Works	200	506	134	(372)	172	5						372
Sheltered Housing Capital Investment	3,224	664	639	(25)	27	6						1,927
Other HRA Capital Spend	887	1,100	226	(874)	583	7						1,243
Total HRA Capital Spend	21,663	21,868	11,539	(10,329)	9,586							35,054
Total Housing Capital Spend	22,465	23,584	12,970	(10,614)	9,737							35,970
Housing Capital Resources												
Right to Buy Receipts (General Use)	0	(398)	(401)	(3)	0	8						(441)
Right to Buy Receipts (Retained for New Build / Acquisition)	0	0	(2,080)	(2,080)	0	8						0
Right to Buy Receipts (Debt Set-Aside)	0	0	(997)	(997)	0	8						0
Other Capital Receipts (Land and Dwellings)	0	(1,500)	(13)	1,487	(1,500)	9						(6,808)
MRA / MRR	(7,673)	(3,424)	(3,424)	0	0							(12,374)
Client Contributions	0	0	(120)	(120)	0	10						0
Direct Revenue Financing of Capital	(9,333)	(10,438)	(7,353)	3,085	(3,085)	11						(10,247)
Other Capital Resources (Grants / Shared Ownership / Loan Repayments / R&R)	(3,769)	(774)	(670)	104	0							(1,866)
Developer's Contributions (Affordable Housing)	0	(68)	(68)	0	0							0
Prudential Borrowing	0	0	0	0	0							0
Total Housing Capital Resources	(20,775)	(16,602)	(15,126)	1,476	(4,585)							(31,736)
Net (Surplus) / Deficit of Resources	1,690	6,982	(2,156)	(9,138)								4,234
Capital Balances b/f	(9,190)	(9,190)	(9,190)									(8,277)
Use of / (Contribution to) Balances in Year	1,690	6,982	(2,156)	(9,138)								4,234
Set-aside for future Debt Redemption	0	0	997			8						
Set-aside for Retained Right to Buy Receipts	0	0	2,072			8						
Capital resources remaining to fund future Housing Investment Programme	(7,500)	(2,208)	(8,277)	(9,138)								(4,043)

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	The underspending of £285,000 is a combination of the following - a) an underspend on the Assessment Centre on East Road (£331,000) where final invoices and retention sums are still outstanding, b) no demand for the use of the budget to tackle unfit housing in the private sector (£20,000) and c) an apparent overspend in respect of Disabled Facilities Grants and Private Sector Housing Grants and Loans of £49,000, which relates to monies spent where the costs were recovered from clients and accounted for elsewhere in the accounts (see note 10). £151,000 of the resource in respect of the Assessment Centre requires re-phasing into 2013/14, with the balance being a saving in the revised costs of delivering the scheme.
2	<p>A net underspend of £3,769,000 in decent homes expenditure during 2013/14 relates predominantly to delivery of year 2 of the Planned Maintenance Contract, which was due to run until July 2013, as the original start date was delayed in 2011. Overspending in health and safety works (£184,000) and damp works (£27,000) were more than offset by underspending in other areas of the decent homes programme, where re-phasing of resources is required to allow completion the anticipated programme to July 2013. This includes re-phasing into 2013/14 in respect of wall insulation (£100,000), PVCU (£34,000), re-wiring (£100,000), re-roofing works (£540,000), boilers (£800,000) chimneys (£51,000), energy works (£59,000), smoke detectors (£3,000), backlog works (£650,000), contractor overheads (£242,000), PTR works (£200,000) and major void works (£45,000). Re-phasing into 2015/16 is requested in respect of delayed roof structure works (£387,000) and to the end of the existing funding, 2028/29, in respect of sulphate works (£204,000).</p> <p>Residual underspending of £132,000 in capital PTR work is evident in 2012/13 due to the cost of work being charged to the revenue element of the contract in error. Underspending in respect of HHSRS, internal technical and external professional fees also contributed to the underspend for the year.</p>
3	A net underspend of £2,114,000 was evident in 2012/13, combining underspending in a number of areas where work is still required and funds will need to be re-phased, including; garage improvement works (£46,000 + £4,000 for East Road), hard surfacing works on HRA land (£130,000 into 2015/16), hard-surfacing recycling works (£147,000), works to communal flooring (£70,000 into 2013/14 and £200,000 into 2014/15), works to communal areas (£500,000 into 2014/15), works to the laundry at Hanover Court (£2,000), lifts (£16,000) and disabled adaptations (£136,000). Resources of £760,000 are also required to be re-phased in respect of fire safety works, where a proportion of the works are yet to be carried out by the secondary planned maintenance contractor, £49,000 for works to Cemetery Lodge and £156,000 in respect of contractor overheads. In addition to re-phasing, underspending in respect of internal technical fees, recycling area works and tenants incentive schemes broadly offset significant overspending in fencing works and asbestos removal.
4	This relates to the timing of the spend in respect of the 146 new and re-development programme. A net resource of £3,173,000 is required to be re-phased into 2013/14 and beyond to ensure that contractual commitments can be met. Payments are made under the development contract once the developer has spent more on building out the Affordable Housing element of the site than the notional value of the land that the market housing will occupy. The timing of this is difficult to predict at project outset, as the length of time taken to get on site in each case varies, dependent upon the number of existing residents that requires re-housing and any planning constraints on the site. The net re-phasing combines slippage of resource for Roman Court, Latimer Close, Barnwell Road, Campkin Road, Colville Road, Aylesborough Close and Water Lane, partially offset by use of resource for Stanesfield Road, Seymour Court and Atkins Close earlier than it was profiled to be used in the latest capital plan.
5	Approval was given for the 2012/13 Cambridge Standard allocation to be spent on a variety of environmental projects across the city. Some of these projects are yet to be completed and resources of £172,000 are requested to be carried forward into 2013/14 to allow these, and other projects to take place.

6	Re-phasing of £12,000 in respect of the feasibility works for re-development of Ditchburn Place is requested to allow this scheme to be moved forward in 2013/14 and £15,000 in relation to emergency alarm upgrades to allow completion of the current programme of sheltered scheme replacements .
7	Underspending of £874,000 combines the need to rephase resource into 2013/14 in respect of the costs of upgrading the hardware and software that allow reporting of the Orchard Housing Management Information System (£33,000) the IT development planned as part of the Repairs Improvement Plan (£131,000) and new IT to record Anti-Social Behaviour case work (£27,000), where work has started, but is not yet complete. Resources of £202,000 are also requested to be rephased to complete the work to convert ECCHO House to a residential dwelling and to undertake roofing works to commercial premises in Campkin Road. The remaining allocation from 2012/13 for buying back ex-Council dwellings of £190,000 is also requested as a carry forward, to allow the authority to proceed with acquisitions to ensure appropriate utilisation of retained right to buy receipts, which need 70% match funding.
8	41 properties were sold in total during 2012/13. £401,000 of the capital receipt is available for general use, while £997,000 of the overall capital receipt is identified under new right to buy legislation as needing to be set-aside to offset the debt associated with the unit no longer owned. A further £2,071,000 of right to buy receipts have been retained by the local authority in 2012/13, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame.
9	The £1,500,000 in respect of the land transfer for the market housing at Seymour Court (Jane's Court) will now take place early in 2013/14. A receipt of £12,500 was realised in respect of a small land transaction in Scotsdowne Road in 2012/13. Capital receipts such as these can't be budgeted for as they are dependent upon specific in-year requests, and the resulting decisions made under delegated powers.
10	Income was due from leaseholders in 2012/13 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£25,000) and was also received from private residents in relation to contributions towards, or repayments of, private sector housing repair grants (£95,000).
11	Due to slippage in the housing capital plan in 2012/13, the use of revenue funding for capital purposes was significantly less than anticipated. A request to increase the use of revenue funding of capital expenditure in 2013/14 by the £3,085,000 not utilised in 2012/13, will ensure that there is sufficient funding to meet the rephased expenditure requested above.

This page is intentionally left blank

<p style="text-align: center;">RECOMMENDATION TO COUNCIL (THE LEADER – COUNCILLOR BICK)</p>
--

ANNUAL TREASURY MANAGEMENT REPORT 2012/13

This Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2012/13. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code 2011).

The Scrutiny Committee considered and approved the recommendations by 4 votes to 0.

Accordingly, Council is recommended to:

Approve the Annual Treasury Management Report 2012/13, which includes reporting of the Council's actual Prudential and Treasury Indicators for 2012/13.

This page is intentionally left blank



To: The Leader and Executive Councillor for Strategy:
Councillor Tim Bick
Report by: David Horspool - Director of Resources
Relevant scrutiny committee: Strategy & Resources
8/7/2013
Scrutiny Committee
Wards affected: All Wards

ANNUAL TREASURY MANAGEMENT REPORT 2012/13

Key Decision

1. Executive summary

- 1.1 The Council is required by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.
- 1.2 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code 2011) in respect of 2012/13.
- 1.3 This report also includes information on capital activity during the year together with associated prudential & treasury indicators.

2. Recommendations

- 2.1 The Executive Councillor is asked to recommend this report, which includes the Council's actual prudential and treasury indicators for 2012/13, for approval by Council.

3. Background

- 3.1 This report provides information on:
 - Capital expenditure and financing activity during the year;
 - The impact of capital spending on the Council's 'need to borrow'
 - The overall treasury position as at 31st March 2013
 - Recovery of Icelandic Bank Deposits

- The Council's compliance with prudential & treasury indicators
- The Council's Treasury Management advisors(Sector) view on UK and Global economies (Appendix B)
- The actual prudential and treasury indicators (Appendix C)
- A Glossary of Terms and Abbreviations (Appendix D)

3.2 The Council's Capital Expenditure and Financing 2012/13

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves etc.), which has no resultant impact on the Council's borrowing need; or;
- If insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2011/12 £'000 Actual	2012/13 £'000 Revised Estimate *	2012/13 £'000 Actual
Non-HRA capital expenditure	8,194	16,745	8,704
HRA capital expenditure	9,917	27,047	11,529
HRA Reform	213,572	-	-
Total capital expenditure	231,683	43,792	20,233
Resourced by:			
• Capital receipts	-4,093	-937	-920
• Other contributions	-14,018	-40,049	-17,561
• Borrowing (for HRA Reform)	-213,572	-	-
Total available resources for financing capital expenditure	-231,683	-40,986	-18,481
Un-financed capital expenditure	-	2,806	1,752

* Per Mid Term Treasury Management Report 2012/13 agreed on 21st January 2013

3.3 The Council's overall borrowing need

During 2012/13, there was no requirement for external borrowing. Un-financed capital expenditure for the Clay Farm Collaboration Agreement of £1.752 million, as shown above, was met temporarily from internal cash borrowing, until the expected future capital receipt can be used.

3.4 Treasury Position as at 31 March 2013

The Council's debt and deposit position is managed in order to ensure adequate liquidity for revenue and capital activities, security for deposits and to manage risk in relation to all treasury management activities. Procedures and controls to achieve these objectives are well established both through the application of approved Treasury Management Practices and regular reporting to Members.

The table below provides a comparison of deposit activity and outturn for 2012/13 against 2011/12.

Deposit Type	2011/2012			2012/2013		
	Average Deposits	Rate of Return	Benchmark Return	Average Deposits	Rate of Return	Benchmark Return
1. Internally Managed Funds						
Fixed Short-Term (<365 days)	£63.08m	0.75%	0.82%	£58.47m	0.86%	0.57%
Call/Overnight Accounts	£6.52m	0.38%	0.48%	£17.53m	0.65%	0.39%
Fixed Long-Term (>365 days)	-	-	-	-	-	-
2. Externally Managed Funds						
Managed Funds	-	-	0.48%	-	-	0.39%
3. Overall Deposit Return						
	£69.60m	0.72%	-	£76.00m	0.81%	-

Notes:

The 'Benchmark Return' figures are based upon Sector Treasury Management's average money market 3-month and 7-day LIBID rate respectively. The benchmark returns shown above equate to the average annual rate for deposits as quoted on 28 March 2013.

Similarly, the actual return equates to the Council's recorded average annual rate, also, on 28 March 2013.

The higher rate of return of 0.81% in 2012/13, compared with 0.72% in 2011/12, has been achieved due to undertaking deposits with a longer maturity date (based on advice from Sector), and increased yield arising from further extensive use of bank call accounts.

- 3.5 Interest of £618,000 has been earned on the Council's deposits during 2012/13 at an average rate of 0.81%. This rate of return compares favourably with the average 3 month LIBID rate of 0.57% as issued on 28th March 2013. The original budget for interest earned in 2012/13 was £604,000. Interest yield has therefore exceeded budget by £14,000 for the year 2012/13.
- 3.6 All of the Council's deposits had maturities of less than one year. A summary of deposits is shown at Appendix A.

3.7 Icelandic Bank Deposits Update

This authority had the following deposit (s) in Icelandic banks and their UK subsidiaries at the time of the collapse of the Icelandic banking system in October 2008, as detailed below:-

Counterparty	Principal	% Rate	Deposit Date
Heritable Bank Limited	1,000,000	5.65000%	09-Jan-08
Heritable Bank Limited	1,000,000	6.21000%	13-Jun-08
LBI hf	2,000,000	6.22000%	30-Jun-08
Heritable Bank Limited	2,000,000	6.00000%	05-Sep-08
LBI hf	1,000,000	6.35000%	01-Jul-08
LBI hf	2,000,000	6.42000%	01-Jul-08
Total:-	9,000,000		

Heritable Bank Limited

The total of distributions now received from the administrators of Heritable Bank plc is £3,147,134. This represents 77.25 pence in the pound of the total claim. The next distribution is forecast for July 2013.

LBI hf

To date, the Council has received three distributions for a total of £2,458,741 from the winding-up board in respect of Landsbanki Islands Hf. This equates to approximately 47% of the claim.

The distributions received include both principal and interest elements of the Council's claims.

Based on the latest CIPFA Local Authority Accounting Panel Bulletin 82 (updated in May 2013), the Council is still anticipating that it will recover between 86% and 90% of its claim against Heritable Bank Ltd and 100% of its claim against LBI hf (formerly Landsbanki Islands hf).

3.8 Economic Update provided by Sector

Sector Treasury Services Ltd is the Council's independent treasury advisor. In support of effective forecasting the Council needs to be aware of the potential influence of the worldwide economy on treasury management issues for the Council. Sector's opinion on the wider global economy is presented at Appendix B, and provides an overview of the economic position as at 28th March 2013.

3.9 Compliance with Treasury Limits

During the financial year the Council operated within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy Statement. The outturn for these Prudential Indicators is shown in Appendix C.

4. Implications

(a) Financial Implications

None.

(b) Staffing Implications

None.

(c) Equal Opportunities Implications

No negative impacts identified.

(d) Environmental Implications

None.

(e) Procurement

None.

(f) **Consultation and communication**

None required.

(g) **Community Safety**

No community safety implications.

5. Background papers

5.1 LAAP bulletin 82 Update No. 7 May 2013

6. Appendices

6.1 Appendix A – The Council’s deposits as at 31st March 2013
Appendix B – Sector’s opinion on UK and global economies
Appendix C – Prudential Indicators – outturn for 2012/13
Appendix D – Glossary of Terms and Abbreviations

7. Inspection of papers

7.1 To inspect the background papers or if you have a query on the report please contact:

Author’s Name: Stephen Bevis
Author’s Phone Number: 01223 - 458153
Author’s Email: stephen.bevis@cambridge.gov.uk

DEPOSITS as at 31 March 2013

The Council's deposits as at 31 March 2013 are summarised (by counterparty) in the table below, excluding remaining claims/deposits with Icelandic banks.

Counterparty	Principal (£)
Bank of Scotland Plc	9,000,000
Barclays Bank plc	10,000,000
Basildon District Council	2,000,000
Birmingham City Council	2,000,000
HSBC Bank plc	2,350,000
Lloyds TSB Bank Plc	6,000,000
London Borough of Enfield	2,000,000
National Westminster Bank Plc	10,000,000
Nationwide BS	10,000,000
Newport City Council	3,000,000
Salford City Council	4,200,000
The Royal Bank of Scotland Plc	4,900,000
TOTAL	65,450,000

Sector's Opinion on UK and Global Economies – As at 28th March 2013.

Introduction

The paragraphs that follow reflect the views of the Council's Treasury Management advisors (Sector) on UK and Global Economies as at 28th March 2013.

Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) kept the bank rate at 0.5% and Quantitative Easing (QE) at £375 bn during 2012/13. Going-forward, the Council's treasury advisor, Sector, provides the following forecast:

	June-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%
5yr PWLB rate	1.80%	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.40%
10yr PWLB rate	2.90%	2.90%	2.90%	3.00%	3.10%	3.20%	3.30%	3.50%
25yr PWLB rate	4.10%	4.10%	4.10%	4.20%	4.20%	4.30%	4.40%	4.60%
50yr PWLB rate	4.20%	4.20%	4.20%	4.40%	4.40%	4.50%	4.60%	4.70

The Sector central forecast is for the first increase in bank rate to be in March 2015. With low growth predictions for the U.K, and financial markets unconvinced that politicians have resolved the Eurozone sovereign debt crisis, we are likely to continue to experience high levels of volatility.

Global Interest Rates and Global Economies update

Sector undertook a review of its interest rate forecasts following the issue of the latest Bank of England Inflation Report in February 2013. Sector has left unchanged its forecast for the first increase in Bank Rate to be in March 2015. However, forecasts for PWLB rates have been increased as a result of the marked recovery in confidence in equity markets, anticipating stronger economic recovery in America, supported by growth in the Far East. The rise in equity prices has, conversely, resulted in a sell-off in bonds and some diminution of the UK as a safe haven from more risky assets. However, towards the end of March, the Cyprus crisis has partially reversed these general trends during the quarter, although this is likely to be a temporary phase.

Eurozone

- Most Eurozone countries are now battling against negative economic growth in 2013, although Germany is experiencing a resurgence of business confidence and surveys are pointing towards a resumption of growth. Growth prospects, for many Eurozone countries, are poor due to the need to adopt austerity programmes to bring government deficits under control.
- Although market anxiety about Greece has subsided after the agreement to a further major financial support package.
- There is also increasing concern that the contraction in Spain's economy and the very high level of unemployment of 25%, similar to Greece's level, could mean that both countries could get into a downward deflationary spiral, making corrections to this, difficult. Spain has resisted asking for an official national bailout, although it has received financial support to re-capitalise its four largest banks.
- The general election in Italy has created a highly unstable political situation where no party can form a viable coalition, which has created an unstable economic environment. There could therefore be volatility in Spanish and Italian bond yields over the next year, depending on political and economic developments.
- A general election is due in Germany in the autumn of 2013. It currently looks likely that this will lead to little change in current policy on the Euro and support for peripheral countries. However, polls are indicating that 25% of the electorate now favour Germany leaving the Euro and stopping the flow of money from Germany.
- A bailout for Cyprus was eventually agreed in the last week of March. However, huge damage will be done to the Cypriot economy by the fallout from this bailout and many commentators consider it is only a matter of time before another bailout will be needed – or exit from the Euro.

US

- There has been a strong resurgence of confidence in US financial markets as the “fiscal cliff” has been largely averted or postponed. Confidence has bolstered recovery in employment and the housing market and has provided the wider economy with a solid base for optimism looking forward.

- The Federal Reserve is unlikely to increase the central rate until 2015, as it has now set a specific target of first reducing unemployment to 6.5% (currently 7.7% at the end of March).
- The housing market is showing signs of having turned a corner, both in price rises and the volume of house sales.

China

- Efforts to stimulate the economy appear to be succeeding. However, there are still concerns around an unbalanced economy, heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector.

UK

- The Bank of England February 2013 Inflation Report has again pushed back the timing of a return to trend growth and the rate at which inflation will fall back towards the target rate of 2%. If quarter 1 2013 results in negative growth, this would be the first triple dip recession since records began in 1955. Over the year to Q4 2012, total growth came in at only 0.2%.
- A fair proportion of UK Gross Domestic Product (GDP) is dependent on overseas trade; the high correlation of UK growth to US and EU GDP growth means that the UK economy is likely to register weak growth over both 2013 and 2014.
- Consumers are likely to remain focused on reducing national debt. Weak consumer sentiment and job fears will all act to keep consumer expenditure suppressed; this will be compounded by inflation being higher than increases in average earnings i.e. disposable income will continue to be eroded.
- The Coalition government is hampered in promoting growth by the need to tackle the budget deficit. However, the March budget did contain measures to boost house building and the supply of mortgages, and brought forward, by one year to April 2014, the start of a £10,000 tax-free allowance for incomes.
- Little sign of a co-ordinated strategy for the private sector to finance a major expansion of infrastructure investment to boost UK growth.
- There is a limited potential for more Quantitative Easing in 2013.

- In February 2013 Moody's downgraded the UK's AAA credit rating one notch to Aa1. There was little reaction in financial markets, as this had been widely anticipated. Fitch put its AAA rating on negative watch in March and recently downgraded to AA+.

Sector's forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Key areas of uncertainty include:

Failure of Italian political parties to form a viable coalition;

The impact of the Eurozone crisis on financial markets and the banking sector;

Monetary policy action failing to stimulate growth in western economies;

The impact of the UK Government's austerity plan on confidence and growth;

Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt; and;

Overall, there is a potential for weak growth in the UK.

Given the weak outlook for economic growth, Sector sees the prospects for any increase in Bank Rate before 2015 as very limited indeed, and the first increase could be even further delayed if growth disappoints.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2011/12 £'000	Original 2012/13 £'000	Revised 2012/13 £'000	Actual 2012/13 £'000
<u>PRUDENTIAL INDICATORS</u>				
Capital expenditure				
- General Fund	8,194	13,920	16,745	8,704
- HRA	223,489	22,465	27,047	11,529
Total	231,683	36,385	43,792	20,233
Incremental impact of capital deposit decisions on:				
Band D Council Tax (City element)	0.00	0.00	0.00	0.00
Average weekly housing rent	0.00	0.00	0.00	0.00
Capital Financing Requirement (CFR) as at 31 March				
- General Fund	(1,177)	(1,177)	1,629	858
- HRA	215,031	214,748	214,748	214,748
Total	213,854	213,571	216,377	215,606
Deposits at 31 March	63,903	60,487	63,210	65,543
Net borrowing Requirement	149,951	153,084	153,167	147,063
Change in the CFR	0	(283)	2,806	(771)
External Gross Debt	213,572	213,572	213,572	213,572
Ratio of financing costs to net revenue stream				
-General Fund	(2.46%)	(3.13%)	(3.13%)	(3.13%)
-HRA	0.05%	20.06%	20.06%	20.06%
Total	(2.41%)	16.93%	16.93%	16.93%

Note1: 'Original' refers to the Council's Mid Term Treasury Management Strategy Report 2012/13 as agreed by Council on 21st January 2013.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2011/12 £'000	Original 2012/13 £'000	Revised 2012/13 £'000	Actual 2012/13 £'000
<u>TREASURY INDICATORS</u>				
Authorised limit				
for borrowing	250,000	250,000	250,000	250,000
for other long term liabilities	0	0	0	0
Total	250,000	250,000	250,000	250,000
HRA Debt Limit	230,839	230,839	230,839	230,839
Operational boundary				
for borrowing	213,854	213,571	216,377	215,606
for other long term liabilities	0	0	0	0
Total	213,854	213,571	216,377	215,606
Upper limit for total principal sums deposited for over 364 days	5,000	5,000	5,000	5,000
Upper limit for fixed & variable interest rate exposure				
Net interest on fixed rate borrowing/deposits	(448)	6,840	6,840	6,840
Net interest on variable rate borrowing/deposits	(23)	(23)	(23)	(23)
Maturity structure of new fixed rate borrowing during 2012/13		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

Note1: 'Original' refers to the Council's Mid Term Treasury Management Strategy Report 2012/13 as agreed by Council on 21st January 2013.

Treasury Management – Glossary of Terms and Abbreviations

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day to day items including employees' pay, premises costs and supplies and services)
Capital Financing Requirement	A measure of the Council's underlying borrowing need i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources
CIPFA	Chartered Institute of Public Finance and Accountancy
Counter-parties	Financial Institutions with which funds may be placed
Credit Risk	Risk of borrower defaulting on any type of debt by failing to make payments which it is obligated to do
DCLG	Department for Communities & Local Government
Eurocurrency	Any deposits residing in banks located outside borders of the country that issues the deposit that it is denominated in
Gross Domestic Product (GDP)	GDP per capita is considered an indicator of a country's 'standard of living'
HRA	Housing Revenue Account - a 'ring-fenced' account for local authority housing account where a council acts as landlord
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
LBI hf	Formerly Landsbanki Islands hf
London Inter-bank Bid Rate (LIBID)	The average estimated interest rate leading banks in London are willing to pay for eurocurrency deposits
London Inter-bank Offered Rate (LIBOR)	The average interest rate estimated by leading banks in London would be charged if borrowing from other banks
Liquidity	A measure of how readily available an investment is
MCP	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Net Borrowing Requirement	External borrowing less deposits
Operational Boundary	Limit which external borrowing is not normally expected to exceed
PWLB	Public Works Loans Board - an Executive Government Agency of HM Treasury from which local authorities & other prescribed bodies may borrow at favourable interest rates
Security	A measure of the creditworthiness of a counter-party
Yield	Interest, or rate of return, on an investment

<p style="text-align: center;">RECOMMENDATION TO COUNCIL (THE LEADER – COUNCILLOR BICK)</p>
--

RESTRUCTURE OF RESOURCES DEPARTMENT

The Chief Executive has been consulting on proposed changes to the Resources Department.

The Leader recommends to Council the changes outlined in the report including investing the role of Section 151 officer in a new post of Head of Finance and creating a new post of Director (provisionally called Director of Business Transformation) to replace the post of Director of Resources.

The Scrutiny Committee considered and approved the recommendations unanimously.

Accordingly, Council is recommended to:

- i. To create a new post of Head of Finance which will become the Council's Section 151 Officer on appointment.
- ii. To delete the post of Head of Accounting Services.
- iii. To create a new post of (provisionally titled) Director of Business Transformation.
- iv. To delete the post of Director of Resources and to approve notice of redundancy being given to the Director of Resources in the event that he is not appointed to another post.
- v. To delegate authority to the Chief Executive to amend the Council's Constitution and Scheme of Delegation to reflect these changes.
- vi. To delegate authority to the Chief Executive to take all steps necessary to implement the new structure (other than those delegated to the Employment (Senior Officer) Committee), including the timetable for implementation of the Director and Head of Service proposals and the final determination of the structure of the Finance service below Head of Service level.
- vii. To authorise the Chief Executive to designate and make arrangements for the section 151 role and Director role on an interim basis should this become necessary.
- viii. To make allocation from underspend in the 2012/13 budget to fund one-off redundancy and recruitment costs, should these be required.

This page is intentionally left blank

CAMBRIDGE CITY COUNCIL

REPORT OF: Chief Executive

TO: Strategy and Resources Scrutiny Committee 08/07/2013

WARDS: All

RESTRUCTURE OF RESOURCES DEPARTMENT

1 INTRODUCTION

- 1.1 The Chief Executive has been consulting on proposed changes to the Resources Department.
- 1.2 This report asks the Leader to recommend to Council the changes outlined in this report including investing the role of Section 151 officer in a new post of Head of Finance and creating a new post of Director (provisionally called Director of Business Transformation) to replace the post of Director of Resources.

2. RECOMMENDATIONS

The Leader is asked to recommend to Council to support the Chief Executive's recommendations:

- 2.1 To create a new post of Head of Finance which will become the Council's Section 151 Officer on appointment.
- 2.2 To delete the post of Head of Accounting Services.
- 2.3 To create a new post of (provisionally titled) Director of Business Transformation.
- 2.4 To delete the post of Director of Resources and to approve notice of redundancy being given to the Director of Resources in the event that he is not appointed to another post.
- 2.5 To delegate authority to the Chief Executive to amend the Council's Constitution and Scheme of Delegation to reflect these changes.
- 2.6 To delegate authority to the Chief Executive to take all steps necessary to implement the new structure (other than those delegated to the Employment (Senior Officer) Committee), including the timetable for implementation of the Director and Head of Service proposals and the final determination of the structure of the Finance service below Head of Service level.

- 2.7 To authorise the Chief Executive to designate and make arrangements for the section 151 role and Director role on an interim basis should this become necessary.
- 2.8 To make allocation from underspend in the 2012/13 budget to fund one-off redundancy and recruitment costs, should these be required.

3. CONSULTATION ON THE FUTURE STRUCTURE OF THE RESOURCES DEPARTMENT

- 3.1 I reported to Civic Affairs Committee in April that I intended to consult on changes to the structure of the Resources department to separate the role of the Section 151 officer from the post of Director of Resources. The consultation included proposals to create a new role of Head of Finance, which would become the Council's Section 151 officer, and changes to the role of the Director post.
- 3.2 The consultation document proposed that the new Head of Finance post would have responsibility for financial advice to the organisation, development of its financial strategy and maintaining the council's internal control environment. The post holder would also be part of the Strategic Leadership team
- 3.3 Seven formal responses were received from staff in response to the consultation. The majority did not support the proposals. Appendix A documents the key themes from the consultation. These can be summarised as:
 - a) Concerns about potential departures from CIPFA guidance on the roles of the Head of Finance and Head of Internal Audit.
 - b) Concerns about the perceived devaluing of the finance function.
 - c) Concerns about potential conflicts of role.
 - d) Concerns about impact on workload for the new post and for staff in the rest of Finance structure.
 - e) Concerns about ability to recruit to the post.
 - f) Concerns that structural changes would not have stopped the budget forecast error occurring.
 - g) Suggestions about other structural change.

My detailed responses to the issues are outlined in Appendix A.

- 3.4 I have considered the concerns about the CIPFA Guidance and these will be discussed by Civic Affairs at its meeting on 26 June 2013.
- 3.5 Civic Affairs has been asked to endorse the proposal to designate the new Head of Finance post as Section 151 Officer, subject to more detailed consideration by the Council, following this report to the Leader and Strategy & Resources Scrutiny Committee and the committee's comments will be reported at the meeting of this committee.
- 3.6 I have discussed the proposed structure with our External Auditor and he is satisfied that my proposals address his comments.
- 3.8 I note the understandable concern about workloads for the new post and in the service more generally. Alongside the restructure, there will be a need to ensure

we continue to streamline our processes to create more capacity. Civic Affairs has been asked to recommend to Council changes to the MTS process and further proposals will be made to Civic Affairs in September on the budget setting process.

- 3.9 The Head of Finance when appointed will need to consider the most appropriate structure for the rest of the Finance service.
- 3.10 Consideration of the role of the Director was also part of my consultation. The proposal to create a new post of Head of Finance to manage the Council's finance function and to be the Council's section 151 Officer, involves changes to what is required from the role of Director. These changes present an opportunity to review what is needed from this role, to help address the strategic resource issues that are facing the Council.
- 3.11 I am proposing to delete the post of Director of Resources and to replace it with a new post (provisionally titled) Director of Business Transformation. The new post would not be the S151 Officer and would have three key purposes:
- To achieve a less bureaucratic and more strategic alignment of the resources at the Council's disposal including financial resources, ICT resources, people resources and property assets, to support council objectives.
 - To lead a transformation programme for the council's back-office support services to change them from a set of services predominantly delivered in-house to ones delivered in effective shared arrangements with other local authorities.
 - To ensure the Council maximises its commercial property and other income generating opportunities.

4. FINAL PROPOSALS

- 4.1 To create a new post of Head of Finance to manage the Council's finance function and to be the Council's section 151 Officer.
- 4.2 To delete the post of Director of Resources and replace it with a new post of Director of Business Transformation.

5. IMPLEMENTATION OF PROPOSALS

- 5.1 The implementation of the proposals will need to be managed in order to minimise risks to the council during the transition process. Dependent on the selection process, the potential exists for us to make external appointments to two new posts. This could mean we do not have new appointees actually in post until early January 2014.

- 5.2 I will therefore need to ensure the changes are implemented in phases to enable continuity through the recruitment period and completion of the 2014 Budget. This would also allow time allow for appropriate handover arrangements.
- 5.3 If the recommendations are approved then changes will be needed to the Constitution to reallocate delegations currently held by the Director of Resources in the role of S151 Officer. It is recommended that Council be asked to delegate authority to the Chief Executive to amend the Council's Scheme of Delegation to reflect the new structure. I am also recommending that Council be requested to give the Chief Executive authority to take the steps necessary to implement these proposals, other than recruitment to the new Director post, which will be the responsibility of the Council's Employment (Senior Officer) Committee.

6. IMPLICATIONS

(a) Staffing Implications

Two posts directly affected are that of Head of Accounting Services and Director of Resources. Both postholders will be able to apply for the new posts but if they do not apply, or if they are not appointed, there will be a need to serve notice of dismissal by reason of redundancy.

The Council's Constitution reserves to full Council the authority to end the employment of the Head of Paid Services (Chief Executive), the Monitoring Officer (Head of Legal Services) and Section 151 Officer (Director of Resources). As part of the proposals set out in this report, Council is being asked to approve notice of redundancy being given to the Director of Resources in the event that he is not appointed to another post.

(b) Financial Implications

The Head of Finance job has been assessed as JNC 1 which is a grade higher than the post of Head of Accounting Services and therefore there could be additional costs of up to £15,000 per annum including on-costs.

There is one grade for Director level posts so there are no additional salary costs for this post and there could be reduced costs, depending where on the scale an appointment is made.

As a consequence of the staffing implications described in (a) above there could be one-off costs for redundancy and recruitment of up to £120,000. It is recommended that Council be asked to make allocation from the underspend in the 2012/13 budget to meet these costs, should they be required.

(c) Equal Opportunities Implications

An EQIA has been completed and there are no specific equal opportunities implications.

(d) Environmental Implications

The proposals have no climate change impact.

(e) **Consultations**

The consultation document on structure was sent to all staff in Accountancy and Support Services, all Directors and Heads of Service and all Councillors. I also consulted with our External Auditor.

7. BACKGROUND PAPERS:

The following are the background papers that were used in the preparation of this report:

Consultation responses as summarised in Appendix A
CIPFA Guidance on the role of the Chief Financial Officer and the Head of Internal Audit.

The author and contact officer for queries on the report is Antoinette Jackson on extension 7001.

Report file:
Date originated: 26 June 2013
Date of last revision: 26 June 2013

This page is intentionally left blank

Response to Issues raised in Consultation about the future Structure of the Resources Department

At the beginning of May I issued a consultation document on proposals for changes to the structure of the Resources department to separate the role of Section 151 officer (s151) (or Chief Finance Officer) from the role of Director of Resources, to enable strategic focus on financial issues to be concentrated in a new post of Head of Finance. This new post would report to a revised Director role which would not have s151 officer responsibilities.

The new post would have responsibility for key financial advice to the organisation and maintaining the council's internal control environment. I said I would expect the new Head of Finance to also be part of the Strategic Leadership team.

I received 7 formal responses from staff in the Resources department and from Unison to that consultation. The majority did not support the proposals. In this document I seek to summarise the consistent themes in the comments I received and my responses to them.

- 1. In CIPFA's guidance on the role of the Chief Financial Officer (CFO), principle 1 requires that not only should the CFO be professionally qualified but they should also report directly to the Chief Executive, and be a member of the Leadership Team with a status at least equal to other members**

This is CIPFA's guidance and has been the more traditional model of local government structure. But it is guidance, not a statutory requirement and a number of councils have their s151 officer reporting to a Director and not reporting in line management terms directly to the Chief Executive. This includes Southend and Luton which are unitary authorities, Surrey County Council and Oxford City Council. It is now also common to see shared s151 officers across more than one council, which is not covered by the CIPFA guidance.

As I made clear in the consultation document, it is my proposal that the Head of Finance should be a full part of the management team and I would expect them to report directly to me on financial matters, as the Head of Legal Services does in his Monitoring Officer role or the Head of Internal Audit does in his role. It does not mean the Chief Executive needs to have day-to-day line management responsibility for the post or the whole of the finance service. To address the concern expressed, I will make it clear in the Job Description for the new post that they have a right of direct access to the Chief Executive.

It was also suggested that CIPFA guidance states that the Head of Internal Audit should report to the Chief Financial Officer.

In fact the guidance states that the Chief Financial Officer should ensure 'that the authority has put in place effective arrangements for Internal Audit...' and 'implement appropriate measures to prevent and detect fraud'. This does not require the direct

management of the function by the s151 officer to ensure this. The CIPFA statement on the role of the Head of Internal Audit suggests that the post should report to a member of the management team and is not specific about which this should be. There is in fact more independence if they are not managed directly by the s151 officer, who is responsible for the majority of the systems they are assuring.

I have discussed the consultation document with our External Auditor and he is content that my proposals address his comments.

The CIPFA guidance also says

"There is a growing trend for CFOs to hold a range of different responsibilities beyond finance, including managing other services or leading change programmes. Whilst these can develop the individual as a corporate manager, authorities must not let the CFO's core financial responsibilities be compromised through creating too wide a portfolio."

I believe my proposals address this concern directly.

2. There could be a conflict between the Director and role of the Head of Finance and it may be unclear where the ultimate decision would lie

I would expect the Director of Resources to work with the Head of Finance on strategic resource planning including finance but the ultimate responsibility for final the decision on financial issues would be the Head of Finance – the statutory position of this role is quite clear. One could argue there would be the same potential for conflict if the S 151 officer reports directly to the Chief Executive.

3. The proposed structure will not help in addressing the issues raised in Ernst & Young's report

Some consultees suggested that the error was not dependent on structure. I agree that the issues surrounding the error were not primarily about structure; there were a range of issues that need to be addressed including improvements to the control environment and working practices. The report I took to Civic Affairs on the forecasting error identified a number of actions that needed to take place to address the issues raised. The issue of structure was one part of that response because I do believe that the current structure blurs accountabilities between roles and therefore it makes sense to ensure there is stronger and more focused responsibility at Head of Service level for wider financial planning and not just financial management. The new structure is also about providing capacity at the Director level to drive significant change in the way we deliver our back office services, in particular driving forward a comprehensive programme of shared services.

4. The fact that the Director of Resources is not physically based with the Finance team may have contributed to the error

A Director cannot physically sit in close proximity to each team for which they are responsible in an organisation which runs a complex range of services, across a number of sites. The Council's control environment cannot rely on the physical

location of individuals. In an era where technology facilitates remote working, we need to make sure we have management systems that work regardless of location.

5. The proposals will effectively devalue the role of the s151 officer

I do not agree that this is the case. The role of the s151 officer is one of the Council's three statutory roles and I see the post being a key part of the Council's management team. The post of Monitoring Officer has operated at Head of Service level over the last three years and there has been no suggestion that this role has been devalued in the organisation. As Chief Executive I feel very well served by the post, even though I do not manage it directly. Members rely on that post-holder for direct advice in his areas of responsibility as they do with other Heads of Service with specific areas of professional responsibility, such as the Head of Planning.

6. Where will role the deputy s151 officer reside?

This will need to be considered as part of the structure of the finance service. A variety of models are used by councils. A number do not specify a nominated deputy and some refer the role upward to the Director.

7. The service is already stretched and this will create further pressure

Concern has been expressed that the change in structure will cause further pressure in the service as work will be cascaded down the structure. I acknowledge this is a risk and this is why I believe that the structure needs to be implemented alongside a review of how we do key pieces of financial business such as producing the Medium Term Strategy (MTS) and the Budget Setting Report (BSR). I recognise that I am bringing responsibilities together that currently sit across two posts and the balance of how that workload is managed in the service needs to be addressed.

A number of consultees could see the potential for doing things differently to free up capacity. Across the Council we need to streamline the way we do business and manage what we do within the reduced resources available. We do not have the option to simply do things as we have always done them, without considering whether we could achieve the same outcomes with different inputs.

8. The Council will not be able to recruit because of levels and responsibility and salary

I would expect the new job to be evaluated at JNC 1. We will not know how difficult it will be to recruit until we have tested the market. Given the rate of change in many parts of the public sector, I would be surprised if there was not a good field for this post.

9. The Estates & Facilities team would sit much better under the Director of Customer & Community, alongside City Homes

This point was made by a number of consultees. As I had not consulted on this particular change, I do not propose to make any changes in this area at this point in time, but given a number of comments were made on this, I will commit to review this as a separate issue. On a related issue, I would also expect the Head of Finance to

consider whether it makes sense to have the financial management of the HRA located in a separate part of the Council, as part of their review of the structure of the finance team. The job description for the new Director will be clear that Director's portfolio of responsibilities may change over time.

10. What would be the situation if we were unable to appoint to the post of Head of Finance in the short term?

I am proposing a phased implementation of the proposals to minimise risks in this area and to manage any external recruitment that may be required.

11. Will the Director of Resources need to be a qualified accountant in future?

This will not be an essential criterion of the person specification. The formal professional expertise will sit with the Head of Finance, in the same way legal expertise sits with the Head of Legal Services and we do not expect the Director to be a lawyer.

CIVIC AFFAIRS

26 June 2013
(6.00-9.00pm)

Present: Councillors Rosenstiel (Chair), Cantrill (Vice-Chair), Ashton, Herbert, Johnson and Pitt

FOR ADOPTION BY THE COUNCIL

CIV/39/13 Assurance Framework and Draft Annual Governance Statement 2012-13

The Head of Legal Services introduced the report. In response to a question from the Chair, the Head of Legal Services advised that a report would be submitted to the committee on developing the role of the Independent Persons (Mr Sean Brady and Mr Rob Bennett).

The committee noted and reviewed the Annual Governance Statement and;

Council is recommended

To approve the Code of Corporate Governance.

The meeting ended at 9.00pm

CHAIR

This page is intentionally left blank

CAMBRIDGE CITY COUNCIL

REPORT OF: Director of Resources

TO: Civic Affairs Committee

26/06/13

WARDS: All

ASSURANCE FRAMEWORK, DRAFT ANNUAL GOVERNANCE STATEMENT AND DRAFT CODE OF CORPORATE GOVERNANCE 2013

1 INTRODUCTION

- 1.1 The preparation of an Annual Governance Statement (AGS) is necessary to meet the statutory requirements as set out in Regulation 4(3) of the Accounts and Audit (England) Regulations 2011. The AGS covers the Council's governance arrangements for the 2012-13 reporting year and is published as part of the Statement of Accounts.
- 1.2 This report includes the draft AGS and incorporated AGS action plan (presented in **Appendix A**) for the Members of Civic Affairs Committee to review, challenge and advise the Leader and Chief Executive upon accordingly.
- 1.3 This report also identifies progress with the 2011/12 AGS action plan and presents the necessary recommendations for Member approval that will allow the Council as a whole to ensure that the AGS is produced in accordance with CIPFA guidance and therefore meet External Audit requirements.
- 1.4 The Council's Code of Corporate Governance summarises the ways in which the authority directs and controls its functions and relates to its communities. It is reviewed annually.

2 RECOMMENDATIONS

- 2.1 That Members of Civic Affairs Committee:
 - note the arrangements for compiling, reporting on and signing the AGS.
 - critically review the draft AGS and incorporated action plan (**Appendix A**) having regard to the Head of Internal Audit Annual Opinion (earlier on this agenda); and
 - advise the Leader of the Council and Chief Executive on any issues arising from the draft AGS and action plan.

2.2 That the Council approves the Code of Corporate Governance (Appendix B) at Full Council on 18th July.

3 BACKGROUND TO THE AGS

Scope of the AGS

3.1 Internal control and risk management are recognised as important elements of good corporate governance. The scope of governance, as covered in the AGS, spans the whole range of the Council's activities and includes those designed to ensure that:

- The Council's policies are implemented in practice;
- High quality services are delivered efficiently and effectively;
- The Council's values and ethical standards are met;
- Laws and regulations are complied with;
- Required processes are adhered to;
- Its financial statements and other published information are accurate and reliable; and
- Human, financial and other resources are managed efficiently and effectively.

Arrangements for Compiling the AGS

3.2 CIPFA, in conjunction with SOLACE, have produced a framework for delivering good governance in local government. Since 2003/04, responsibility for preparing the AGS rested with Internal Audit and this was performed working to the CIPFA/SOLACE framework.

3.3 In December 2010, CIPFA issued its statement on 'The Role of the Head of Internal Audit in Local Government', which states that the Head of Internal Audit should 'set out the framework of assurance that supports the Annual Governance Statement and identify Internal Audit's role within it', but 'should not be responsible for preparing the report.' Arrangements for compiling the AGS for 2012-13 have been undertaken by the Head of Legal Services (the Council's Monitoring Officer) in conjunction with the Head of Corporate Strategy and the Principal Auditor.

3.4 Assurances from the work of the Internal Audit team relating to 2012/2013 have been reviewed and one area that has been highlighted from their work concerns the issue of lack of documentation of contract management checks, in particular the checks carried out on contractor health & safety. An action has been included in the AGS Action Plan to follow up this audit to ensure agreed actions have been implemented..

3.5 One of the key messages coming out of the CIPFA/SOLACE guidance is that good governance relates to the whole organisation and there should be corporate ownership of the AGS and governance arrangements.

Arrangements for reporting on and signing off the AGS

- 3.6 The draft AGS and Action Plan is being presented to the Members of this Committee for them to review and advise the Leader and Chief Executive upon, prior to it being signed off by the Leader and the Chief Executive.
- 3.7 Members are asked to consider the HIA Annual Opinion, which is presented earlier on this agenda, in their review of the AGS.

4. Progress with the 2011-12 AGS Action Plan

4.1 All of the actions included in last year's AGS Action plan have either been completed in full or partially completed as follows:

- ***Risk Management*** – A decision was taken to defer recruitment to the vacant part-time Risk Management Officer (RMO) post in order to evaluate whether the functions of the RMO could be managed within existing resources, as implementation of the new risk register has simplified many of the processes that were previously supported by this post. Reports are being provided to SLT on risks and outstanding actions. The first of these was presented in January 2013 and the next one is due in July 2013. The Council's Risk Management Strategy was reviewed and approved by Civic Affairs Committee in March 2013.
- ***Project Management*** - The review of the Council's Project Management Guidelines is now complete. The guidelines now need to be rolled out to all managers across the Council and plans are in place to do this.
- ***Review of Decision-Making Arrangements*** - The alternatives made possible by the Localism Act, namely the potential to return to a committee system of decision-making, were reviewed and reported to Civic Affairs Committee in November 2012. The Committee agreed that, because the current Cambridge City Council system had been deliberately designed to incorporate the best elements of the committee system, a change would not bring significant benefits, and no further work was required at that time.
- ***Implementation of the Bribery Act 2010*** - The Prevention of Fraud & Corruption Policy has been updated to provide an overview of the Bribery Act and its implications for the City Council. The updated Policy is being brought to Civic Affairs Committee (June 2013) for review and approval.

An Internal Audit review of Gifts & Hospitality has been undertaken as part of the 2012-13 Internal Audit Plan. A 'Significant' assurance rating was given to this review, which highlighted the need for greater clarity in the Officer Code of Conduct on what can be accepted and what needs to be recorded in the gifts and hospitality register. The revised Code is being brought to Civic Affairs Committee (June 2013) for approval.

4.3 **Appendix A** to this report details the action plan to address significant governance issues for the 2012/13 AGS.

5. BACKGROUND TO THE CODE OF CORPORATE GOVERNANCE

5.1 The Council adopted a Code of Corporate Governance on 25 April 2002. It has been reviewed annually since then.

5.2 There are no significant changes to the Code this year. The Code has been revised to ensure that references to supporting plans, policies and procedures are up to date.

5.3 Officers intend to explore whether the Code of Corporate Governance can be improved by providing web-links between the Code and the supporting evidence cited in the Code. However, this is dependent on the availability of staffing resources.

6 CONSULTATIONS

5.1 Key officers have been consulted in compiling the 2012-13 AGS and Action Plan. The draft AGS and Action Plan have been shared with the Council's External Auditors.

6 CONCLUSION

6.1 The draft AGS and draft Code set out the governance framework for the City Council and identifies a number of issues where action is planned to improve the level of governance.

7 IMPLICATIONS

(a) **Financial Implications**
None

(b) **Staffing Implications**
None

(c) **Equal Opportunities Implications**
None

(d) **Environmental Implications**
None

(e) **Community Safety Implications**
None

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

- Delivering Good Governance in Local Government – The Framework and Guidance Note for English Authorities – CIPFA/SOLACE plus Addendum (December 2012)
- The Annual Governance Statement: Meeting the Requirements of the Accounts and Audit Regulations 2003, Incorporating Accounts and Audit (Amendment) (England) Regulations 2006
- The CIPFA Finance Advisory Network – A Rough Guide for Practitioners 2007/08.
- Application Note to Delivering Good Governance in Local Government – a Framework – CIPFA/SOLACE – March 2010
- Accounts and Audit (England) Regulations 2011
- Statement on the Role of the Head of Internal Audit in Local Government – CIPFA – December 2010
- Statement on Role of the Chief Financial Officer – CIPFA

To inspect these documents contact Bridget Bishop on extension 8182.

The author and contact officer for queries on the report is Simon Pugh, Head of Legal Services and Monitoring Officer, on (01223) 457401 or email simon.pugh@cambridge.gov.uk.

Annual Governance Statement

Annual Governance Statement

Scope of Responsibility

Cambridge City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Cambridge City Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Cambridge City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Cambridge City Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the Code is on our website at www.cambridge.gov.uk or can be obtained from the Chief Executive, The Guildhall, Cambridge. This statement explains how Cambridge City Council has complied with the Code and also meets the requirements of the Accounts and Audit (England) Regulations 2011 regulation 4(3), which requires all relevant bodies to prepare an Annual Governance Statement.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which Cambridge City Council is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Cambridge City Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Cambridge City Council for the year ended 31 March 2013 and up to the date of approval of the annual report and statement of accounts.

Appendix A

The Governance Framework

The key elements of the systems and processes that comprise the authority's governance arrangements include:

- The Council's Vision Statement, which focuses the Council's efforts in achieving its vision for the future of Cambridge.
- The Annual Statement, which reiterates the vision and sets out a range of activities the Council will undertake in the year ahead to achieve the vision, and its core underpinning values.
- The Annual Report, which contains information on financial performance and achievement of business objectives as articulated in the portfolio plans.
- The annual budget and service planning process which translates the Council's Objectives into actions at portfolio and operational level.
- The Council's Medium Term Financial Strategy, which identifies how the Council will resource its aspirations and plans for any financial risks.
- A Budget Setting Report, which sets out overall spending plans and includes a Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement.
- The arrangements for regular budget monitoring and reporting of significant variances to senior management.

- An independent Internal Audit function with a risk-based audit plan.
- An annual opinion of the Head of Internal Audit on the authority's internal control environment and risk management framework.

- The Council's Constitution, which sets out the decision-making process, the terms of reference for each committee and the roles and responsibilities of Members and officers.
- The Member/Officer protocol, which aids effective communication between officers and Members and clarifies their respective roles and responsibilities.
- Codes of Conduct for Members and officers, which have been formally approved and are reviewed regularly and available to all Members and staff.
- The Council's Civic Affairs Committee, which promotes and maintains high standards of conduct by Members and which has overall responsibility for the Council's compliance with laws and regulations.
- The Council's Prevention of Fraud and Corruption Policy which is in place and reviewed regularly by the Council's Civic Affairs Committee.
- A Register of Interests, which is maintained and reviewed regularly.
- Financial Regulations and Financial Procedure Rules which provide a framework for managing the Council's financial affairs and set out the financial accountabilities and responsibilities for Members and officers.
- A corporate Risk Management Framework, which includes a Risk Management Strategy approved by Members and a comprehensive risk register identifying the key controls and actions required to manage the Council's principal risks.

- The role of the Council's Civic Affairs Committee, which fulfils the core functions of an Audit Committee as identified in CIPFA's 'Audit Committees – Practical Guidance for Local Authorities'.

Appendix A

- The Procurement Policy and Strategy and the Council's Contract Procedure Rules, which set out how the Council will promote effective procurement across the Council.
- The Chief Executive is the Council's Head of Paid Service and the Head of Legal Services is the Council's Monitoring Officer. Their roles and responsibilities are set out in the Council's Articles of the Constitution.
- The financial management arrangements at Cambridge City Council conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- The Council's assurance arrangements conform with the governance requirements of CIPFA's Statement on the Role of the Head of Internal Audit in Local Government.

- A 'Whistleblowing' Policy, which is in place and available on the Council's intranet.
- The Council's Complaints Procedure, which is available on the Council's website.
- The annual complaints report to Civic Affairs Committee, which analyses trends in complaints against the Council and what has been done to address them.

- Member Induction training and a guide for new Members, together with ongoing training for Members on key skills and more in-depth explanations of issues concerning the Council.
- The Council's Performance Review process which is undertaken annually across the Council for all staff.
- The Council's Competency Framework, which is in place for all staff and managers.
- The Council's People Strategy, which sets out how the Council will recruit, reward and develop its staff to reach their full potential.

- The Media Protocol, which sets out the processes for drafting and clearing news releases and engaging with the media.
- The Corporate Change Programme Board, which commissions and monitors projects to implement change and transformation.
- The Citizens' Survey, which is undertaken periodically to gauge the public's perception of Council services, our spending priorities, communication with us and feelings of safety.

- The Code of Corporate Governance, which sets out the ways in which the Council ensures that its business is conducted in accordance with law and proper standards and that public money is safeguarded and properly accounted for.

- A framework to guide the Council's engagement with external partnerships that will ensure the Council's partnerships are accountable and effective.

- The corporate website, residents' magazine and social media channels, which along with other publications and communications provide for informing and engaging residents and other stakeholders in service delivery and policy formulation.
- A Code of Best Practice on Consultation and Community Engagement, adopted by the Council which sets out the Council's approach to consultation.

Appendix A

- Internal quarterly performance reporting against key performance indicators for each service prepared for and presented to the strategic leadership team to consider necessary remedial action.

Review of Effectiveness

Cambridge City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Directors and Heads of Service within Cambridge City Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual opinion, and also by comments made by the external auditors and other review agencies and inspectorates.

The Council's Constitution details Directors' responsibilities for the maintenance of controls within their departments. The system of internal control is subject to regular review by Internal Audit. The work of the service is informed by the Council's risk register, with the allocation of audit resources controlled through an annual risk-based operational plan, which is agreed, annually, by the Council's Civic Affairs Committee. Members are kept informed of the work of Internal Audit through a dedicated Members' Internal Audit web-page, which publishes copies of the Executive Summaries of Audit reports.

Individual Internal Audit reports are issued directly to the relevant Director, the Director of Resources, the Leader of the Council and the relevant Executive Councillor. Executive Summaries of Internal Audit reports are circulated to the Chief Executive and the Council's Monitoring Officer to ensure that they are informed of potential areas of non-compliance with legislation. Each audit report contains an independent assurance opinion on the adequacy and effectiveness of the internal controls in place to mitigate risks. Management actions agreed in Internal Audit reports are entered into to the Council's Risk Register and progress on their implementation is reported to and monitored by the Chief Executive and the Strategic Leadership Team.

In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms.

The Director of Resources is the Authority's Chief Financial Officer and is responsible for the proper administration of the authority's financial affairs. The Director of Resources reports directly to the Chief Executive and is a member of the Strategic Leadership Team.

The Council's Civic Affairs Committee is responsible for advising on and monitoring the Members Code of Conduct and for advising the Council on the ethical aspects of the corporate governance framework. This arrangement replaces the previous responsibilities of the Council's Standards Committee, which was disbanded in July 2012.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by Civic Affairs Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those specifically addressed with new actions planned are outlined below.

Appendix A

Action Plan to Address Significant Governance Issues 2012-13

	Issue	Action	Target Date	Officer Responsible
1	<p>Errors were identified in the Council's budget setting forecast for 2012-13, which resulted in an under-statement of the Council's spending requirements. These errors were investigated by the Council's External Auditors, Ernst and Young, and in response to their report an action plan was proposed to address the issues raised.</p> <p>The action plan was agreed at Civic Affairs on 17 April 2013.</p>	<p>Ensure implementation of the actions agreed by Civic Affairs:</p> <ul style="list-style-type: none"> • Improvement to the control environment for the council's financial modelling. • Addressing staffing related issues. • Structure • Improvements to future processes 	<p>31 July 2013</p> <p>31 May 2013</p> <p>From June 2013</p> <p>31 July 2013</p>	<p>Head of Internal Audit/Head of Accounting Services</p> <p>Chief Executive/Head of Accounting Services/Head of HR</p> <p>Chief Executive</p> <p>Chief Executive</p>
2	<p>An Internal Audit review of the Council's Risk Management Framework was undertaken during 2012-13. The audit concluded that the framework goes a long way in meeting the principles of good governance, in that there are sound procedures in place for managing risk and therefore a 'significant' assurance rating was given to the risk management framework.</p> <p>However, the audit found that some services have not yet fully embedded the risk management processes into their on-</p>	<p>As a result of the Internal Audit review it was agreed that to ensure the risk management process becomes fully embedded across the Council the Chief Executive and Strategic Leadership Team will continue to ensure that proactive action is taken to update the risk register on a timely basis.</p> <p>A follow-up to the audit of the Risk Management Framework will be completed in 2013-14.</p>	<p>Ongoing from 30 April 2013</p> <p>31 December 2013</p>	<p>Chief Executive</p> <p>Head of Internal Audit</p>

Appendix A

	Issue	Action	Target Date	Officer Responsible
	going service management arrangements and therefore overall a 'limited' assurance rating was given by the audit review.			
3	An Internal Audit review of the Management of Contractor Health & Safety was undertaken during 2012-13. This audit found that although officers have been undertaking appropriate checks on the contracts they are managing, in many cases they are not documenting these checks to evidence that they have taken place. This issue has also been evident in a number of other contracts reviewed in previous years and covers a range of different aspects of contract management.	Undertake a follow-up audit of the Management of Contractor Health & Safety to ensure all agreed actions for documenting checks undertaken on contracts have been implemented.	31 March 2014	Head of Internal Audit

Appendix A

	Issue	Action	Target Date	Officer Responsible
4	<p>The Prevention of Fraud & Corruption Policy has been updated to provide an overview of the Bribery Act 2010 and its implications for the City Council. (The updated Policy is being brought to Civic Affairs (June 2013) for review and approval.)</p> <p>An Internal Audit review of Gifts & Hospitality has been undertaken as part of the 2012-13 Internal Audit Plan. A 'Significant' assurance rating was given to this review, but the report highlighted the need for greater clarity in the Officer Code of Conduct on what can be accepted and what needs to be recorded in the gifts and hospitality register.</p> <p>The revised Code is also being brought to Civic Affairs (June 2013) for approval.</p>	<p>Once agreed, the requirements of the updated Officer Code of Conduct in relation to gifts and hospitality should be shared with all staff and managers.</p>	31 July 2013	Principal Auditor
5	<p>The current Scheme of Delegations, as contained in the Council's Constitution, requires review to ensure it is up to date</p>	<p>Review the Council's Scheme of Delegations to ensure it is up to date.</p>	31 December 2013	Head of Legal Services

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Appendix A

Signed:

.....
Councillor Tim Bick
Leader of the Council

Date: 2013

.....
Antoinette Jackson
Chief Executive

Date: 2013

Cambridge City Council - Code of Corporate Governance 2013-14

Review Date: June 2013

A Council's Code of Corporate Governance is

“ the system by which local authorities direct and control their functions and relate to their communities”

Guidance from CIPFA and SOLACE suggests each local authority should have a Code of Corporate Governance based on 6 principles:

- 1 Focusing on the purposes of the authority; on outcomes for the community; and creating and implementing a vision for the local area.
2. Members and Officers working together to achieve common purposes with clearly defined functions and roles.
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
4. Taking informed and transparent decisions which are subject to effective scrutiny and risk management.
5. Developing the capacity and capability of Members and Officers to be effective.

Appendix B

6. Engaging with local people and other stakeholders to ensure robust public accountability.

The Council adopted a Code of Corporate Governance on 25 April 2002. It has been reviewed annually since then. This is the 2013 review, which has been amended to reflect changes arising as a result of the Government's new national performance framework. The Council's Civic Affairs Committee will be asked to consider the revised Code and to recommend it to full Council for adoption.

This Code takes each of the principles of good governance in turn and sets out the systems, processes and principles the Council has put in place to ensure good corporate governance.

The Code will be reviewed annually through the Annual Governance statement process, which will identify the actions to be taken to enhance the code or address any limitations with in it.

Simon Pugh
Head of Legal Services and Monitoring Officer

13 June 2013

Appendix B

Focusing on the purpose of the authority; on outcomes for the community; creating and implementing a vision for the local area

		Supporting Evidence
1.1	The Council will have a clear vision for the City and set objectives to guide the Council's activities. It will review those objectives each year, through the Annual Statement agreed at the Annual Council meeting.	Vision Annual Statement
1.2	The Council will agree with partners a business plan for the Local Enterprise Partnership, and contribute to the agreement of priorities for the Health & Wellbeing Board and other relevant countywide partnerships.	Local Enterprise Partnership Business Plan Health and Wellbeing Strategy
1.3	The Council will have a Medium Term Financial Strategy to resource the Council's aspirations and to assess and plan for any financial risks. The strategy will be reviewed annually.	Medium Term Strategy
1.4	The Council will put service to the public first. The annual portfolio planning process will be used to agree the priorities for each area of Executive Councillor responsibility. The Plans express the strategic objectives for the portfolio over the financial year 2013/14 and beyond. Beneath each of the objectives are detailed the particular outcomes to	Portfolio Plans Agenda for Scrutiny Committees March 2013/14 cycle

	<p>be achieved in 2013/14. Finally the plans will include performance measures that will provide evidence that the outcomes have been achieved.</p> <p>This information will enable members and the services contributing to the delivery of the plan to be clear about the priorities for the portfolio and will assist in decisions about where resources should be focussed within the portfolio.</p> <p>Heads of individual service areas prepare operational plans indicating how they will meet objectives set in portfolio plans and setting out their priorities and work programmes for the year ahead.</p>	Operational Plans
1.5	<p>Each year the Council will publish an Annual Report and Statement of Accounts giving information on the authority's vision, strategy, performance, future plans and financial statements.</p>	Annual Report and Statement of Accounts
1.6	<p>The Council will seek to provide value for money to local people.</p> <p>It will work to maximise its resources by delivering services as efficiently as possible, working in partnership with others and using other providers where these are the best options.</p> <p>It will have a clear Procurement Strategy designed to meet the Council's wider objectives and Contract Procedures Rules designed to deliver robust and fair procurement processes.</p>	Procurement Strategy

Appendix B

Members and Officers working together to achieve common purposes with clearly defined functions and roles

		Supporting Evidence
2.1	<p>The Council will set out a clear statement of the roles and responsibilities of Executive Members, other Members and Council Officers in its Constitution.</p> <p>The scheme of delegation within the Constitution will make clear what matters are reserved for collective decision-making by full Council.</p>	<p>Constitution</p> <p>Member/Officer Protocol</p>
2.2	<p>A Member/Officer protocol will be used to aid effective communication between Officers and Members and to clarify their respective roles and appropriate ways of working.</p>	
2.3	<p>The Council's Chief Executive is its Head of Paid Service responsible and accountable to the authority for its operational management.</p> <p>The Director of Resources is the Council's Chief Financial Officer and S151 Officer, responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.</p> <p>The Head of Legal Services is the Council's Monitoring Officer, responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied</p>	<p>Constitution</p> <p>Job Descriptions for the Chief Executive, Director of Resources and Monitoring Officer</p> <p>Schedule on the Role of the Chief Financial Officer</p>

Appendix B

	with.	
2.4	The Council will ensure that these Statutory Officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council.	Portfolio Plans Performance Reviews Professional Qualifications and training Terms of Reference of Civic Affairs Committee
2.5	The Council's Civic Affairs Committee will be responsible for constitutional issues and will ensure that the constitution is monitored and updated when required.	Terms of Reference of Civic Affairs Committee
2.6	The Council will use an Independent Remuneration Panel to give advice on payments for Members and consider their advice when setting the Members' Allowance Scheme. The Panel will operate in an open and transparent manner, making their agendas, reports and minutes available to the public. The Members' Allowance Scheme will also be made available to the public and on the Council's website and the scheme will be reviewed annually.	Independent Remuneration Panel Terms of Reference Independent Remuneration Panel agendas, reports and minutes Members' Allowance Scheme Pay Policy Statement
2.7	When working in partnerships the Council will ensure that Members are clear about their roles and responsibilities, both individually and	Partnership Terms of

Appendix B

	<p>collectively, in relation to the partnerships and to the Council.</p> <p>It will also ensure that there is clarity about the legal status of each partnership and that all representatives in the partnership have clarity about their powers to bind their own organisation to partnership decisions.</p> <p>The Council will operate in accordance with principles of partnership working agreed with our key partner organisations.</p>	<p>Reference</p> <p>Principles of Partnership Working</p>
--	--	---

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

		Supporting Evidence
3.1	<p>The Council will expect the authority's leadership – both Members and Officers - to create a climate of openness, support and respect and to uphold the Council's values as expressed in the Council's Medium Term Strategy document.</p> <p>The standards of conduct and personal behaviour expected of Members and staff will be set out in the Officer Code of Conduct, the Member Code of Conduct and in the Member/ Officer protocol. An up-to-date register of Member and Officer Senior Officer Interests will be maintained.</p>	<p>Constitution</p> <p>Confidential Whistleblowing Policy</p> <p>Annual Complaints Report</p> <p>Prevention of Fraud and Corruption Policy</p> <p>Register of Interests</p>
3.2	<p>The Council has adopted a Code of Conduct for Councillors and has put</p>	

Appendix B

	<p>in place procedures for considering complaints. The Council has appointed two “independent persons” to support this, in accordance with the requirements of the Localism Act, 2011.</p> <p>It will maintain a Whistleblowing policy to enable confidential reporting of suspected breaches of the Officer Code of Conduct or unethical behaviour and will report on how the policy is used through the Annual Review of the Prevention of Fraud and Corruption Policy.</p> <p>It will also maintain a Prevention of Fraud and Corruption Policy and both policies will be reviewed regularly by the Civic Affairs Committee.</p> <p>The terms of reference of the Civic Affairs committee includes responsibility for advising on the Council’s ethical framework and the promotion of openness, accountability and probity to ensure the highest standards of conduct.</p>	<p>Code of Conduct for Councillors</p> <p>Terms of reference for Independent Persons Annual Complaints Report</p> <p>Whistleblowing Policy</p> <p>Prevention of Fraud and Corruption Policy</p> <p>Terms of reference for Civic Affairs Committee</p>
<p>3.3</p>	<p>The behaviour expected of staff and managers will be set out in the Council’s competency framework and this will be used as the basis for staff performance appraisal.</p>	<p>Competency Framework</p> <p>Grievance and Disciplinary Procedures</p>
<p>3.4</p>	<p>The Council’s standing orders and financial regulations will put in place processes designed to ensure that Members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.</p>	<p>Constitution</p>

Appendix B

3.5	<p>The Council will ensure all partnerships with which it is engaged have a set of values or criteria against which decision-making and actions can be judged. It will work with those partnerships to ensure they are open and accountable and have clear governance structures in place.</p>	<p>Partnership Terms of Reference Principles of Partnership Working</p>
-----	---	---

Taking informed and transparent decisions which are subject to effective scrutiny and risk management.

		Supporting Evidence
4.1	<p>The Council will operate within the legal framework for local councils complying with its statutory duties and making the most of its powers to meet the needs of the City and its residents.</p>	<p>Core Competencies for managers Managers' Job Descriptions Role of Monitoring Officer</p>
4.2	<p>The Council will hold its meetings, and those of its committees and working groups, in public unless there are good reasons for confidentiality. The public will be allowed to ask questions at all Council and committee meetings.</p>	<p>Committee Agendas Constitution Committee Forward Plan</p>

Appendix B

4.3	<p>The Council will make sure members of the public have access to information about the workings of the Council. It will make clear what information is routinely published through its Freedom of Information Publication scheme and will respond promptly to requests for information. The Council will publish on its website all responses to Freedom of Information requests.</p>	<p>Publication Scheme Freedom of Information requests monitoring reports Council Website Open data</p>
4.4	<p>The Council will respect the personal data of its citizens, employees, suppliers and others the Council may communicate with in line with the principles of the Data Protection legislation and will make this clear in its own Data Protection Policy. The Council will respect the privacy of members of the public when carrying out investigations and will ensure that privacy is only interfered with when the law permits and there is clear public interest justification.</p>	<p>Data Protection Policy Regulation of Investigatory Powers Act 2000 – Procedure guidance</p>
4.5	<p>The Council will record the deliberation of scrutiny committees and the reasons for Executive and Regulatory decisions and make agenda papers and minutes available on the Council's website. The Council will also record and publish on the website written questions asked at Council meetings and their answers, and oral questions and answers where these are available.</p>	<p>Agendas and Minutes of Committees Council website</p>
4.6	<p>Officers will use standard report templates for committee and executive reports to help ensure that readers are provided with information that is</p>	<p>Standard committee report templates</p>

Appendix B

	accurate, complete and unbiased. Reports will make clear the options available so that the implications of all decisions and strategic risks can be assessed before those decisions are made.	
4.7	The Council will actively consider the environmental impact of the Council's decisions before those decisions are made.	Environmental Assessment Tool for Council Policies Plans and Projects Environmental Action Programme Committee reports
4.8	The Council will develop and maintain an effective Scrutiny process to encourage constructive challenge and enhance the Council's performance. It will also have clear protocols about Members' access to information and officer advice to enable them to perform their roles.	Terms of Reference of Scrutiny Committees Protocol
4.9	The Council will have a network of Area Committees to ensure neighbourhood issues are considered in the Council's decision-making processes.	Area Committee terms of reference
4.10	The Council will have a Joint Development Control Committee with the County Council and South Cambridgeshire District Council for decisions affecting growth sites bordering the City and South	Terms of reference of Joint Development Control Committee

	Cambridgeshire.	
4.11	<p>The Council will have a clear and publicised complaints system, including the appointment of an independent complaints investigator, so that members of the public can express dissatisfaction with Council services and their concerns can be monitored and addressed.</p> <p>It will publish an Annual Complaints report analysing trends in complaints against the Council and what has been done to address them.</p>	<p>Complaints leaflet On-line complaints form Annual Complaints report</p>
4.12	<p>The Council's Civic Affairs Committee will fulfil the core functions of an Audit Committee.</p>	<p>Terms of Reference of the Committee</p>
4.13	<p>The Council will maintain an independent Internal Audit function, with a risk-based annual audit plan, designed to test regularly that the Council's policies and processes operate in practice and that the Council complies with legislation and good practice.</p> <p>The Head of Internal Audit will produce an annual opinion on the Council's internal control environment to meet the requirements of the Code of Practice for Internal Audit in Local Government in the UK, 2006. The Head of Internal Audit Opinion will be used to inform an Annual Governance Statement and this will be signed off by the Chief Executive and Leader of the Council.</p>	<p>Annual Audit Plan Head of Internal Audit Opinion Annual Governance Statement</p>

Appendix B

4.14	<p>The Council will also agree an annual work plan with its External Auditors to test the Council's response to major legislation and the soundness of its financial and governance processes. Recommendations arising from internal and external audit and inspection processes will be used to inform future decision-making.</p>	<p>Terms of Reference of Civic Affairs Committee Risk Register Annual Audit letter</p>
4.15	<p>The Council will ensure that risk management is embedded into the culture of the authority, with managers at all levels recognising that risk management is part of their job. It will have a Risk Management Strategy, supplemented by procedures and guidance.</p>	<p>Risk Management Strategy Procedures and guidance on the Council's Intranet</p>
4.16	<p>The Council will undertake systematic risk assessments in all areas of Council activity, including those covered by Health and Safety legislation. It will maintain a corporate risk register detailing the Council's strategic and service risks and review this regularly.</p>	<p>Risk Assessments Risk Register</p>
4.17	<p>The Council will ensure that risk assessment is incorporated into the Council's decision making and Members are advised of the Council's risk profile at key stages.</p>	<p>Risk Management Strategy and Guidance</p>

Appendix B

Developing the capacity and capability of Members and Officers to be effective

		Supporting Evidence
5.1	The Council will seek to maintain its Investors in People accreditation.	IIP Accreditation
5.2	The Council's People Strategy will set out how the Council will recruit, reward and develop its staff to reach their full potential. Staff joining the Council will be offered an induction programme and their training and development needs will be reviewed regularly through the Council's annual performance review process, which applies to all staff.	People Strategy Council Induction Programme Performance Review process
5.3	The Council will have up-to-date job descriptions. It will set and monitor clear objectives for Officers through the annual performance review process. It will agree appropriate remuneration for officers based on an agreed framework of national and local agreements which include job evaluation.	Job Descriptions Performance Review process Competency Framework
5.4	The Council will offer all new Members an induction programme and the opportunity to develop, with the Member Training Champions, a tailored personal development plan to meet their needs. The Council will also	Member Induction Programme

Appendix B

	<p>provide resources for training, attending conferences/seminars and briefings in-house for all elected Members. It will keep a register of the training received by Members and will involve the Member Training Champions in reviewing training needs and the resources available during the year.</p>	
5.5	<p>The Council will encourage and facilitate Members to have appropriate training or briefing before performing certain roles (e.g. dealing with staff recruitment or disciplinary issues, being a member of the Planning or Licensing Committees).</p>	
5.6	<p>The Council will seek expertise from outside the authority when it does not have the necessary skills in-house, making use of peer reviews and other mechanisms for ensuring challenge of Council services.</p>	
5.7	<p>The Council will seek to encourage engagement in its work through a variety of means including through area committees, public representatives on the Equalities Panel, Tenant Representatives on the Housing Management Board and involvement of appointed “Independent Persons” in the work of the Civic Affairs Committee. It will also put resources into outreach work through its community development services and support to tenant and leaseholder representatives.</p>	<p>Membership and Terms of Reference of these bodies Public Questions and petitions</p>

Appendix B

Engaging with local people and other stakeholders to ensure robust public accountability

		Supporting Evidence
6.1	<p>The Council will ensure that the authority as a whole is open and accessible to the community, service users and its staff.</p> <p>It will promote the role of Councillors and make the public know who the Councillors are, what roles they have on the Council and how to contact them.</p> <p>It will treat everyone fairly and strive to treat all as rational people able to make up their own minds.</p> <p>It will also strive to provide services on the basis of need rather than ability to pay.</p>	<p>Citizen Survey results</p> <p>Public Question Time and Petition procedures</p> <p>Council Website</p> <p>Cambridge Matters</p> <p>Annual Statement</p> <p>Charging policies for services</p>
6.2	<p>The Council will make clear through its website and other Council publications the services that it is responsible for, how people can contact the Council and the service standards they can expect.</p>	<p>Council website</p> <p>Council Tax Leaflet</p> <p>Annual Report</p> <p>Open Door</p> <p>Cambridge Matters</p>
6.3	<p>The Council will undertake surveys of residents to ensure that it has up to date information about their priorities and levels of satisfaction with the Council and its services.</p>	<p>Citizens Surveys</p>

Appendix B

6.4	<p>The Council's consultation programme will ensure that the Council proactively seeks the views of a wide range of people and engages with all sections of the community effectively.</p> <p>This will be achieved through a mix of corporate consultation initiatives with more targeted consultation on service specific issues led by relevant departments.</p>	<p>Consultation reports Statement of Community Involvement Code of Best Practice on Consultation and Community Engagement</p>
6.5	<p>The Council will seek to ensure all views are actively considered when making decisions, recognising that it is not always possible to reconcile conflicting viewpoints.</p> <p>The Council will ensure it makes feedback available to consultees on the outcomes of consultation, what has changed as a result and explaining why it has made the decisions it has.</p>	<p>Consultation pages on website Council Publications Code of Best Practice on Consultation and Community Engagement</p>
6.6	<p>The Council will undertake Equality Impact Assessments of all major Council decisions and take action to implement changes required, to ensure that council services and policies consider the diverse needs of its service users and citizens.</p> <p>It has a Single Equalities Scheme covering race, disability, gender age, sexual orientation and religion or belief and an Action Plan will be reviewed annually.</p> <p>It will also use "Mapping Poverty" research data, or other relevant data,</p>	<p>Examples of Equality Impact Assessments Annual Review of Equalities Single Equality Scheme Comprehensive Equalities Action Plan</p>

Appendix B

	to inform decisions about relative deprivation in the City.	Mapping Poverty report
6.7	The Council's Equalities Panel (which has staff, member and public representatives) will help the Council evaluate its success in promoting diversity and meeting a broad range of needs.	Terms of Reference and agendas of meetings
6.8	The Council will enter into compacts with Tenants and the Voluntary Sector agreeing ways of working with these two stakeholder groups. The Compacts will be reviewed on a regular basis.	Compact documents
6.9	The Council will set out in its collective agreements, employment policies and procedures, and terms of reference for forums and meetings involving trade unions, and how it will consult with staff and Trade Unions.	Collective Agreements Employment policies and procedures Trade Union Facilities Agreement
6.10	Members will meet with the Trade Unions in a Joint Staff/ Employer Forum. Each council department will have departmental staff forums and there will be a monthly Joint Trade Unions Group meeting.	Joints Staff /Employer Forum Terms of Reference and Agendas/Joint Trade Unions Group Agendas and Minutes Trade Union Facilities Agreement

This page is intentionally left blank

CIVIC AFFAIRS26 June 2013
(6.00-9.00pm)

Present: Councillors Rosenstiel (Chair), Cantrill (Vice-Chair), Ashton, Herbert, Johnson and Pitt

FOR ADOPTION BY THE COUNCIL**CIV/43/13 Review of the Council's Contract Procedure Rules (Part 4G of the Constitution)**

The Strategic Procurement Advisor introduced the report. Members of the Committee debated the pros and cons of having one written quotation (as recommended) or two, for contract values under £10,000 and on whether seeking 'best value' was preferred to 'value for money'. The Strategic Procurement Advisor stated that a lot of these contracts would, in time, be picked up in wider corporate contracts and the guidance given to officers would explain that it was good practice to obtain more than one quotation. The Committee was satisfied to keep with one written quotation as the mandatory requirement but to re-word the table at the front of the Rules to emphasise the need to get best value. The Committee did agree that it was important to obtain (rather than just invite) in writing quotes (£10,000-£49,999).

The Committee welcomed the fact there would be clarity over who took responsibility for procurements and requested that the summary table at the front of the Rules include an additional column to reflect who would be accountable and who would appoint that person.

Council is recommended –

To approve the changes to Part 4G of the Constitution, Contract Procedure Rules for implementation with effect from 1 November 2013. (Nb. These are appended to the adoption minute with the Committee's changes incorporated and highlighted)

The meeting ended at 9.00pm

CHAIR

This page is intentionally left blank

CAMBRIDGE CITY COUNCIL

REPORT OF: Director of Resources

TO: Civic Affairs Committee

26/6/2013

WARDS: All

REVIEW OF CONTRACT PROCEDURE RULES (PART 4G OF THE CONSTITUTION)

1 INTRODUCTION

- 1.1 The current Contract Procedure Rules in the Council's Constitution (Part 4G) were written in 2007. Although they have been amended in parts since then a full review is now required. This work forms part of the Corporate Change Programme Bureaucracy Busting workstream.

2. RECOMMENDATIONS

- 2.1 To approve the changes to Part 4G of the Constitution, Contract Procedure Rules, as shown in appendix 1 to this report for implementation with effect from 1 November 2013.
- 2.2 If approved, to refer the Contract Procedure Rules to the next meeting of Council for ratification.

3. BACKGROUND

- 3.1. The Corporate Change Programme Bureaucracy Busting workstream has identified the Council's procurement processes as a key area of work. In order to carry out a root and branch review of the processes and documents that we use in our procurement activities it is necessary to start with a review of our internal Rules.

- 3.2. If adopted in the format in Appendix 1, the new Contract Procedure Rules (the Rules) will provide a basis for a lean approach to procurement because:
- Budget holders will take direct responsibility for and control over their procurements;
 - Under the new Rules the level of scrutiny and regulation that a project will receive will be based on an assessment of the risk inherent in the project (which will include the financial value) rather than purely on the basis of financial thresholds (which sometimes bear little relationship to wider project and commercial risks).
 - Adopting a risk based approach means that once the budget for a project has been approved, officers will be able to get on with low/medium risk procurements quickly thereby reducing the delivery time for routine new projects. Member scrutiny will be reserved for high value/high risk projects.

4. THE NEW RULES

- 4.1. Prior to starting work on the new Rules we gave the opportunity to frequent users to identify the aspects of the existing rules that hindered their efficient delivery of projects. In summary, users wanted simplicity and clarity with any unnecessary bureaucracy stripped from the processes.
- 4.2. A mature draft of the Rules was sent to three high spend areas whose staff are familiar with the existing rules and who undertake regular procurements and to the internal contract auditors and contract lawyers. Further amendments were made to the document to reflect the feedback that we received. The new Rules have also been reviewed and approved by the Strategic Leadership team and the Corporate Change Board.
- 4.3. The Rules that are now being proposed embody a different approach to procurement in the Authority. In summary we have adopted a risk-based approach so that low/medium risk projects can be dealt with in departments with a minimum of fuss while high risk/high value projects attract a more rigorous approach requiring direct Member authority to issue tenders (and accept offers) and the early involvement of professional advisers within the Council.

This will ensure that limited resources are targeted at projects with a high risk profile where failure would have a significant impact on the services that we provide to the public.

4.4. The main changes to the existing Rules are:

A. Simplified spend levels.

These are:

Below £10,000 - a single quotation is required

£10,000 to £49,999 – a minimum of three written quotations is required

£50,000 to EU threshold/£300,000 for works contracts – public tenders are required

EU threshold and above – EU compliant tenders required

B. Positive steps to encourage local suppliers to compete for Council work by increasing the number of lower value contracts that are advertised on the Council's website and on Source Cambridgeshire (a local advertising portal aimed at the local supply market); and by recommending that at least one supplier based in Cambridge or immediately surrounding area should, wherever possible, be included in the list of suppliers invited to submit quotations.

C. Simplifying the approvals process by removing the requirement for Executive Councillor approval/pre-scrutiny for contracts below £300,000. At the moment, irrespective of the strategic importance of a project or the level of risk, all contracts valued over £75,000 require Executive Councillor approval following pre-scrutiny. This causes a significant bottle-neck.

The new Rules require only contracts over £300,000 (the key decision threshold) to be taken to Committee/Executive Councillor authority unless the relevant Director considers the project to be a high risk one (using the risk indicators on the matrix at Appendix 2).

D. Simplifying the requirements for Parent Company Guarantees(PCG) or Bonds.

At the moment PCGs are required for contracts over £250,000 and Bonds for contracts over £500,000. Often these guarantees are unnecessary and add delay and cost to contracts. Bonds and Guarantees have rarely been called upon since the requirement was introduced and add (in the case of Bonds) avoidable cost to projects. In future for contracts over £300,000 it will be for the relevant Director (in consultation with others as necessary) to assess the risk of the appointed contractor becoming insolvent or breaching a contract and to decide whether a PCG or Bond is necessary.

- E.** Simplifying the contract completion process. At the moment all contracts over £75,000 must be sealed by the Head of Legal Services. This gives rises to unnecessary work for the legal team and can lead to delays in getting the contract completed. In practice sealing is only required for a small number of contracts. Completing a contract by signing is satisfactory for a large proportion of the contracts that we enter into (and is generally quicker).

In future sealing will only be required for high value (over £300,000) or high risk contracts, building and works related contracts and a small number of other contracts. All other contracts can be signed either by the Head of Service (for contracts up to £50,000) or the relevant Director.

- F.** Simplified approach to exemptions from the Rules.

At the moment there are two ways in which permission can be sought to act outside the Rules - exemptions and waivers. Waivers in particular require a long paper trail which can sometimes cause delay. The distinction between the two types of permission has caused confusion among users and is really quite academic.

In future there will be one process to get permission to let a contract without full competition and this has been simplified.

- G.** Simplified presentation of the Rules to make them more accessible and easier to use.

We have provided an easy to follow summary sheet at the beginning of the document which points users to the key rules for each spend level, specifies the advertising that is required, identifies who can give authority to proceed with the procurement and who can sign the resulting contract. Navigating around the current rules has been a problem for some users.

The process for each spend level is self-contained within each section of the document so users will have a single source of information about the relevant spend level.

Hyperlinks to the Quick Procurement Reference Guides will provide ready access to simple guidance and template documents for each stage of the process. This will mean that users will be given the necessary tools to carry out low risk procurements with less need to reference limited specialist resources (although this will remain available to help officers that really need advice).

5. NEXT STEPS

If the Rules are approved in the format at Appendix 1, the next steps will be for the current processes, guides and template documents to be reviewed and “leaned” wherever possible. We will continue to work with the review group that has helped us with the new Rules to put systems in place that are user friendly.

6. CONSULTATIONS

6.1 The following groups have been consulted about the new draft Rules:

- Regular users of the procurement processes
- Internal Audit
- Legal services
- Strategic Leadership Team
- Corporate Change Board
- The Executive
- Chamber of Commerce policy unit (for the purposes of the attached Equalities Impact Assessment)

7. IMPLICATIONS

- (a) **Financial Implications** – there are no financial implications as a consequence of the introduction of a new set of Contract Procedure Rules.

- (b) **Staffing Implications** Regular users of the procurement processes and senior officers have been consulted about the Rules. Detailed guidance and training to enable users to understand and apply the new Rules will be provided before they come into effect in November 2013.

- (c) **Equal Opportunities Implications**
Please see the Equalities Impact Assessment at Appendix 3

- (d) **Environmental Implications**
The Climate Change Rating for these proposals is nil.

- (e) **Procurement**
Covered in the report.

- (f) **Consultation and communication**
Covered in the report

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

Equalities Impact Assessment at Appendix 3

To inspect these documents contact Deborah Quincey, Strategic Procurement Adviser on extension 7400

The author and contact officer for queries on the report is Deborah Quincey, Strategic Procurement Adviser on extension 7400

Report file:

Date originated: 08 July 2013
Date of last revision: 08 July 2013

DRAFT – 03.07.2013 version 11

Cambridge City Council

PART 4G: CONTRACT PROCEDURE RULES FOR INCOME AND EXPENDITURE CONTRACTS

**Under Section 135
Local Government Act 1972**

ISSUED [DATE] BY DIRECTOR OF RESOURCES
CIVIC AFFAIRS [DATE]
COUNCIL DECISION [DATE]

INDEX

Summary of Key Contract Procedure Rules	
EU Thresholds	
Part 1: Introduction and Definitions	
Part 2: All Contracts, whatever their value	
1.	Application and Scope
2.	Compliance
3.	Conflicts of Interest
4.	Prevention of Bribery and Corruption
5.	Duties of Directors
6.	Calculating the Contract Value
7.	High Risk or Complex Contracts
8.	Grant Funding and Third Party Funding
9.	Deeds, Sealing and Signing of Contracts
10.	Use of Corporate Contracts
11.	Use of Framework Agreements, Collaborative Procurement and Purchasing Consortia
12.	Purchasing Cards
13.	Social Value and Supporting Local Enterprises including Voluntary and Community Organisations
Part 3: Initial Procurement Steps	
14.	Pre-Procurement Steps
15.	Authority to Invite and Evaluate Quotations & Tenders and Award Contracts
16.	Pre-Tender Market Research and Consultation
17.	Advertising and Selection of Suppliers
18.	Standards and Award Criteria

Part 4:	Contracts below £10,000 (below Quotation level)	
19.	Competition	
20.	Standard Terms and Conditions	
21.	Authority to Enter into a Contract	
22.	Signature of the Contract	
Part 5:	Contracts from £10,000 to £49,999 (Quotations)	
23.	Competition	
24.	Preliminary Steps	
25.	Standard Terms and Conditions	
26.	Authority to Invite and Evaluate Quotations and Award Contracts	
27.	Request for Quotation	
28.	Award of the Contract	
29.	Signature of the Contract	
Part 6:	Contracts from £50,000 to the EU Threshold (Non-EU Tenders)	
30.	Competition	
31.	Preliminary Steps	
32.	Specification	
33.	Terms and Conditions	
34.	Bonds and Parent Company Guarantees	
35.	Authority to Invite and Evaluate Tenders and Award Contracts	
36.	Tender Procedure	
37.	Evaluation of Non-EU Tenders	
38.	Award of the Contract	
39.	Signature of the Contract	

Part 7:	Contracts over the EU Threshold (EU Tenders)	
40.	Competition	
41.	Preliminary Steps	
42.	Specification	
43.	Terms and Conditions	
44.	Bonds and Parent Company Guarantees	
45.	Authority to Invite and Evaluate Tenders and Award Contracts	
46.	Establishing a New Framework Agreement	
47.	Tender Procedure	
48.	Clarification and Negotiation	
49.	Evaluation of Tenders	
50.	Amendments and Alterations to Tenders	
51.	Award of the Contract	
52.	Signature of the Contract	
Part 8:	For Contracts that have commenced	
53.	Contract Management	
54.	Record Keeping	
55.	Extension to Duration of Contract	
56.	Variation to the Scope of Contract	
Part 9:	Exemptions to the Contract Procedure Rules	
57.	Exemptions and Automatic Exemptions	

SUMMARY OF KEY CONTRACT PROCEDURE RULES

Total Value	Competition	Advertising	Authority	Officer responsible for procurement project	Signature	Rules
Below £10,000	Best value must be demonstrated by obtaining at least one written Quotation	None required	Director's delegated authority under scheme of Delegation (Part 3, Section 9 of the Constitution) – this has been delegated to Officers	Officer obtaining Quotation	Signed by Officer responsible for the purchase	Parts 2 & 4
<u>QUOTATIONS</u> £10,000 to £49,999	Minimum 3 competitive Quotations obtained in writing, 1 from a local Supplier wherever possible	Council's website (mandatory) Source Cambridgeshire (recommended) or call-off from framework agreement	Director's delegated authority under scheme of Delegation (Part 3, Section 9 of the Constitution) – this has been delegated to Heads of Service	Project Manager appointed by Head of Service	Signed by Head of Service or Officer authorised by him/her	Parts 2, 3, 5 & 8
<u>NON-EU TENDERS</u> £50,000 to £173,934 (Services & Supplies) £4,348,350 (Works)	Minimum 4 Suppliers invited to Tender	Council's website (mandatory) Source Cambridgeshire (mandatory) or call-off from framework agreement	Below £300,000 – Director's delegated authority Over £300,000 (Key Decision) – Scrutiny Committee & Executive Councillor	Project Manager appointed by Director	Sealed by the Council (as appropriate); or Signed by Director; Contracts over £300,000 (Key Decision) must be sealed	Parts 2, 3, 6 & 8
<u>EU TENDERS</u> Over £173,934 (Services & Supplies) £4,348,350 (Works)	Use Restricted/Open procedure (unless advised otherwise by Strategic Procurement) Minimum 5 Suppliers invited to Tender	OJEU advert (mandatory) Council's website (mandatory) Source Cambridgeshire (mandatory) or call-off from framework agreement	Below £300,000 – Director's delegated authority Over £300,000 (Key Decision) – Scrutiny Committee & Executive Councillor	Project Manager appointed by Director	Sealed by the Council (as appropriate); or Signed by Director and one other Officer; Contracts over £300,000 (Key Decision) must be sealed	Parts 2, 3, 7 & 8

Framework Agreements	<u>NEW Framework:</u> Use Restricted/Open procedure (unless advised otherwise by Strategic Procurement)	<u>NEW Framework:</u> OJEU advert (mandatory) Council's website (mandatory) Source Cambridgeshire (mandatory)	New Frameworks and Call-off Contracts <u>below</u> £300,000 (Key Decision) – Director's delegated authority	Project Manager appointed by Director	New Frameworks must be sealed by the Council	Parts 2 – 8 depending on value See Rules 11 & 46
	<u>EXISTING Framework:</u> Follow the procedure in the Framework Agreement for call-off Contracts and mini-competitions	<u>EXISTING Framework:</u> Not relevant	New Frameworks and Call-offs Contracts <u>over</u> £300,000 (Key Decision) – Scrutiny Committee & Executive Councillor		Call-off Contracts <u>below</u> £300,000 (Key Decision) are signed by Director	

EU Thresholds 1 January 2012 – 31 December 2013	
Services contracts	£173,934
Supplies contracts	£173,934
Works contracts	£4,348,350

CONTRACT PROCEDURE RULES

Part 1 Introduction

See Procurement Quick Reference Guide No.5a The Constitution and Basic Procurement Law [[insert hyperlink](#)]

The Local Government Act 1972 requires the Council to have standing orders for how it enters into Contracts. These Contract Procedure Rules are the standing orders required by the 1972 Act. They form part of the Council's Constitution and are, in effect, the instructions of the Council to officers and elected members for entering into Contracts on behalf of the Council.

The purpose of these Contract Procedure Rules is to set clear rules for the purchase of Works, Goods and Services for the Council and are intended to promote good purchasing practice, public accountability and to deter bribery and corruption, in which the probity and transparency of the Council's procurement process will be beyond reproach or challenge. Accordingly, these Contract Procedure Rules must be followed for **all** Contracts over £10,000 for the supply of Goods and Services to and the carrying out of Works for the Council and where Concessions are sought.

The Council is also subject to EU law with regard to public procurement, which requires all contract procedures, of whatever value, to be open, fair and transparent. These Contract Procedure Rules provide a basis for true and fair competition in Contracts, by providing clear and auditable procedures, which, if followed, will give confidence that the Council has a procurement regime that is fully accountable and compliant with EU law.

Following the Contract Procedure Rules will also help to ensure that the Council obtains Best Value when it buys Works, Goods or Services.

These Contract Procedure Rules are to protect the interests of the Council, its officers and elected members and the communities of Cambridge.

Part 1 Definitions

Award a contract	means to accept an offer by a Supplier (following approval by the appropriate decision maker), as evidenced by a written Contract signed or sealed (as appropriate) by <u>both</u> parties and dated [hyperlink to Guide on Process for Award and Signature of Contracts]
Award Criteria	means the criteria by which the successful Quotation or Tender is to be evaluated
Best Value	means the duty under the Local Government Act 1999 requiring an authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”
Bond	means an agreement whereby the surety or insurer under the bond pays out a sum of money (often 10% of the Contract value) in the event that the Supplier in a Contract commits a serious breach of contract (that cannot be remedied) or becomes insolvent
Business Case	means a written commercial assessment that provides the key facts and rationale for the proposed purchase. A template business case is in the ‘Project Management Guidelines’ on the intranet at para XXX
Central Purchasing Body	means another local authority or ‘Contracting Authority’ (e.g. ESPO or the Government Procurement Service) which acquires Supplies/Services or awards public contracts or concludes Framework Agreements intended for use by other public sector bodies
Collaboration	means a procurement undertaken jointly by the Council and one or more other public bodies with one of the bodies nominated as the lead authority
Concession	means a Contract where the payment or part-payment of the Services or Works consists of the grant by the Council of the right for the Supplier to exploit the Services or Works to be carried out
Contract	means the bargain or agreement between the Council and a Supplier for the supply of Works, Goods or Services in return for a valuable benefit (usually money)

Contract Document	means the document setting out the terms and conditions of the Contract. A purchase order is a contract document. Although at law a verbal agreement may be a Contract, Contracts for the Council must always be supported by appropriate written contract documents
Contractor	see Supplier
Corporate Contract	means a Contract for the supply of Works, Goods or Services to the Council as a whole rather than for an individual service area, e.g. stationery. Corporate Contracts are listed on the intranet
Delegation	means any power, duty or authority delegated to a chief Officer by the Council as set out in Section 9 of Part 3 of the Council's Constitution
Director	means one of the Officers defined in Article 11 para 11.1.2 of Part 2 of the Council's Constitution
EU Regulations	means the Public Contracts Regulations 2006 as amended from time to time
EU Threshold	means the value in pounds sterling above which the EU Regulations apply to a proposed public contract. The thresholds are set out in the table above.
Executive Councillor	means one of the six Councillors who, together with the Leader, comprise the Executive and who have delegated authority to take decisions within their portfolio area
Exemption Notification Form	means the form [hyperlink] to be used when applying for an exemption under Rule 57
Financial Regulations	means the rules at Part 4F of the Council's Constitution
Framework Agreement	means an agreement between one or more contracting authorities and one or more Suppliers which fixes the terms and conditions under which the Supplier will enter into one or more specific contracts with an authority during the term of the framework agreement, which should be no more than 4 years
Goods	see Supplies
Grant	means a voluntary transfer of money by the Council to an organisation in accordance with the guidance provided by the Head of Legal Services
Head of Service	see Officer
ITT	means an Invitation to Tender, and contains documents inviting Suppliers to tender for a Contract

Key Decision	means a decision made in exercise of an executive function by any persons (including Officers) or body which meets one or more of the conditions set out in Article 12.3.2 in Part 2 of the Constitution. In relation to incurring expenditure or making savings, the value is £300,000 and above.
Monitoring Officer	means the officer designated under section 5 of the Local Government and Housing Act 1989 to monitor the Council's compliance with the law and rules of administration. The Head of Legal Services is the Monitoring Officer
Objectives	means the Council's objectives set out in the Annual Statement each year
Officer	means an individual who holds a post on the Council's establishment
OJEU	means the Official Journal of the European Union
Open Procedure	means a one stage tender process to select an appropriate Supplier. The procedure does not include a pre-qualification stage and allows any interested Supplier to submit a tender
Parent Company Guarantee	means the guarantee from a parent company to act in accordance with the Contract in the event that the subsidiary company fails to perform under the terms of the Contract with the Council
PQQ	means a pre-qualification questionnaire, which Suppliers have to complete to provide evidence of their legal, financial and technical capacity (including their health and safety and equal opportunities policies) to undertake a Contract for the Council
Project Appraisal	means a report to the Executive Councillor on the corporate template seeking approval for the appraisal as required by para 9.3.3 of Part 3 of the Council's Constitution of the financial and Business Case for the proposed procurement in accordance with any guidance issued by the Director of Resources
Quotation	means an offer by a Supplier to undertake a Contract of less than £50,000 in value
Restricted Procedure	means the process which allows any interested party to request to participate in the Tender procedure but only those invited by the public body following a pre-qualification stage may submit a Tender
RFQ	means a Request for Quotation, inviting Suppliers to quote for Works, Goods or Services below £50,000 in value
Selection Criteria	means the criteria used for the selection of Suppliers to be invited to tender
Services contract	means a Contract for the provision of services to the Council

Specification	means a clear and comprehensive description of the Council's requirements. This will vary according to the value and complexity of the purchase
Sponsorship Rules	means the Council's approved rules that regulate the acceptance of sponsorship [hyperlink]
Standard Terms and Conditions	means the terms and conditions of contract used for purchase orders and Contracts under £50,000
Supplier	means a supplier of Works, Goods or Services to the Council
Supplies contract	means a Contract for the sale or hire of goods to the Council and includes, where appropriate, installation of goods
Tender	means an offer by a Supplier in response to an ITT to undertake a Contract of £50,000 or more
Tender Record Book	means the book which records the receipt of tenders as maintained by the Central Post Scanning Facility
TUPE	means the Transfer of Undertaking (Protection of Employment) Regulations 2006 and any amendment, re-enactment or replacement of them. In general terms, the rules protect employees when their business is taken over by a new employer.
Vision Statement	means the Council's published statement from time to time of its aims and objectives
Works contract	means a Contract for the construction, repair or maintenance of built asset, e.g. a building or a road

Part 2

All Contracts, whatever their value

1. APPLICATION AND SCOPE

Apply to:

- 1.1 **All** Contracts for the supply of Works, Goods or Services (including consultancy) **to** the Council, regardless of value.
- 1.2 Partnership and collaborative arrangements with other bodies
- 1.3 Concession Contracts

Do not apply to:

- 1.4 Contracts for the purchase or sale of any interest in land (including leasehold interests) for which the Financial Regulations and/or the Code for the Disposal of Land applies.
- 1.5 Contracts of employment for the appointment of individual members of staff, including members of staff sourced through employment agencies under a Corporate Contract.
- 1.6 Grant agreements, where the Council is giving an unconditional grant.
- 1.7 Sponsorship agreements regulated by the Sponsorship Rules.
- 1.8 Supply of Works, Goods and Services **by** the Council. However, the Head of Legal Services and Strategic Procurement must be consulted where the Council is contemplating this route.
- 1.9 Contracts procured in Collaboration with other local authorities where the Council is not the lead authority (subject to the necessary approvals having been obtained from the appropriate decision maker at the Council – see **Rules 21, 26, 35 and 45**). The Contract Procedure Rules of the lead authority shall apply. Assurance should be sought that the lead authority is in compliance with its own contract procedure rules.

2. **COMPLIANCE** See **Procurement Quick Reference Guide No.1 Probity in Procurement** [[insert hyperlink](#)]

- 2.1 Every Contract entered into on behalf of the Council must comply with
 - § these Contract Procedure Rules;
 - § the Council's Financial Regulations; and
 - § all relevant UK and EU legislation.
- 2.2 Each Director is responsible for ensuring that his/her department complies with these Contract Procedure Rules
- 2.3 All members of staff and consultants engaged in any capacity to manage or supervise the procurement of any Works, Goods or Services for the Council **must** comply with these Contract Procedure Rules. The attention of Officers is drawn to the Council's Code of Conduct and Disciplinary Policy. **Non-compliance with these Rules may constitute grounds for disciplinary action.**
- 2.4 Generally, work must not begin under a Contract until the Contract Document has been signed by both parties (or, if the only Contract Document is a purchase order, until the purchase order has been issued) except with the approval of the Head of Legal Services.

3. CONFLICTS OF INTEREST See Procurement Quick Reference Guide No.1 Probity in Procurement [insert hyperlink]

- 3.1 All members of staff must avoid any conflict between their own interests and the interests of the Council. This is a requirement of the Council's Code of Conduct, which all employees of the Council have signed and agreed to be bound by and includes :
- § not accepting gifts or hospitality from organisations or Suppliers that the Council has dealings with;
 - § not working for organisations or Suppliers that the Council has dealings with;
 - § notifying the Head of Legal Services and relevant Director if an Officer has links with (e.g. a family member or close friend works for) an organisation or Supplier who is tendering or quoting for a Contract with the Council or already has a Contract with the Council.
- 3.2 All consultants engaged to act on behalf of the Council must declare that :
- § they will avoid any conflict between their own interests or those of any of their other clients and the interests of the Council; and
 - § they will notify the relevant Director if they have any links with (e.g. a family member or close friend works for) an organisation or Supplier who is tendering or quoting for a Contract with the Council or already has a Contract with the Council.
- 3.3 If an elected member of the Council or a member of staff has an interest, financial or otherwise, in a Contract or proposed Contract, he/she must declare it in writing to the Director as soon as he/she becomes aware of the interest. An elected member or member of staff who has an interest in a Contract must not take part in the procurement or management of that Contract.

4. PREVENTION OF BRIBERY AND CORRUPTION See Procurement Quick Reference Guide No.1 Probity in Procurement [insert hyperlink]

- 4.1 A Contract may be terminated immediately, and any losses to the Council arising from the termination recovered from the Supplier, if the Supplier, or anyone acting on his behalf (with or without the Supplier's knowledge) :
- § offers or promises or gives a financial or other advantage to any elected member of the Council, any member of staff or any consultant in connection with the Contract; or
 - § requests, agrees to receive or accepts a financial or other advantage so that some action in relation to the Contract is performed improperly.
- A declaration to this effect must be included in the RFQ and ITT.
- 4.2 Any elected member of the Council, member of staff or consultant who becomes aware or has reason to believe that a Supplier or potential Supplier has committed one of the corrupt acts referred to in **Rule 4.1**, must report that to the Monitoring Officer and/or the Head of Internal Audit immediately.
- 4.3 A shareholding in a body not exceeding a total nominal value of £1000 or 1% of the nominal value of the issued share capital (whichever is less) is not a pecuniary interest for the purpose of this Rule.
- 4.4 The Chief Executive must maintain a record of all declarations of interest notified by elected members and Officers.

5. DUTIES OF DIRECTORS

- 5.1 To ensure that all Contracts within his/her department comply with Contract Procedure Rules, Financial Regulations and all applicable public procurement legislation. To plan the procurement of and manage Contracts within his/her department to ensure that Contracts
- § deliver Best Value;
 - § are operated effectively, efficiently and economically; and
 - § are operated within the terms of the Contracts themselves, so that the Council is not at risk of being in breach of Contract.
- 5.2 To ensure that Strategic Procurement are advised of any Contracts over £10,000 entered into by his/her department.
- 5.3 Another Director or Officer within his/her own department may be authorised to carry out his/her duties in respect of a particular Contract or Contracts generally.
- 5.4 To keep adequate records to show compliance with Contract Procedure Rules, Financial Regulations and all relevant legislation in his/her department.

6. CALCULATING THE CONTRACT VALUE See [Procurement Quick Reference Guide No.7 Calculating the estimated value of your Contract \[insert hyperlink\]](#)

- 6.1 The Director responsible for each Contract must have obtained budgetary approval equal to the estimated value for the Contract before any offers are sought.
- 6.2 The value of a Contract is the **total** amount that the Council expects to pay or receive for the Contract, including any Contract extension period and any options within the Contract. This may be a lump sum (e.g. £20,000) or a periodic payment (e.g. £4,000 per year for a 5 year Contract = £20,000). If the Contract is for an uncertain term (e.g. a “rolling” Contract), the value is the amount the Council expects to pay or receive over four years.
- 6.3 The Director must not try to avoid compliance with these Contract Procedure Rules or the EU Regulations by splitting a procurement for the same or similar Works, Goods or Services into smaller, separate Contracts. If it will achieve better value for money, Contracts for the same or similar Works, Goods or Services must be aggregated into a single Contract of greater value.

7. HIGH RISK OR COMPLEX CONTRACTS See [Procurement Quick Reference Guide No.3a Managing Risk in Procurement Projects \[insert hyperlink\]](#)

- 7.1 The Director must undertake a risk assessment in accordance with Council guidance [\[insert hyperlink to Procurement Risks document\]](#). Advice from Legal Services and Strategic Procurement must be sought for the following Contracts:
- with a value above the EU Threshold
 - that involve leasing arrangements (Accountancy team must also be consulted)
 - where the Supplier’s terms and conditions are to be used
 - potentially involving the transfer of staff under TUPE
 - where the Supplier may hold any money on behalf of the Council
 - for software or licences
 - where an advance payment to the Supplier is envisaged
 - that are high risk or complex in any other way as indicated by the risk assessment

8. GRANT FUNDING AND THIRD PARTY FUNDING

- 8.1 Officers must fully comply with these Rules in respect of Contracts funded by grants or other third party funding.
- 8.2 Advice must be sought from Legal Services to ensure that the Council's terms and conditions comply with the grant conditions imposed by the funder.
- 8.3 Officers are responsible for ensuring that any funding agreement has been completed satisfactorily before entering into any contractual commitments in respect of the grant with third parties.

9. DEEDS, SEALING AND SIGNING OF CONTRACTS [\[hyperlink to Guide on Process for Award and Signature of Contracts\]](#)

- 9.1 Generally, a Contract can be signed by hand by the Director or Head of Service. In the event of a dispute, the Council can make a claim under the Contract for up to 6 years.
- 9.2 Some Contracts must be executed as deeds and are sealed by the Council by affixing the Common Seal. In the event of a dispute, the Council can make a claim under the Contract for up to 12 years. This applies to the following Contracts:
- Contracts over £300,000 (Key Decision) – unless agreed otherwise by Legal Services
 - New Framework Agreements
 - All building and Works-related Contracts – unless agreed otherwise by Legal Services
 - Where there is no consideration (ie money or money's worth) by one party (e.g. Grant agreements, where the Council is paying a voluntary sum to an organisation but the organisation is not giving anything in return)
 - Other high risk Contracts (as advised by Legal Services) where a longer limitation period of 12 years is required.
- 9.3 Before a Contract can be sealed by the Council, the Officer must provide Legal Services with the relevant decision to award in writing from the appropriate decision maker [\[hyperlink to Decision to Award Form\]](#)

10. USE OF CORPORATE CONTRACTS

If there is a Corporate Contract for the supply of any Works, Goods or Services, the Director must utilise that Contract, rather than awarding a separate contract for his/her own department.

11. USE OF FRAMEWORK AGREEMENTS, COLLABORATIVE PROCUREMENT AND PURCHASING CONSORTIA

- 11.1 Officers must follow the Council's Principles for Partnership Working [\[insert hyperlink\]](#)
- 11.2 Strategic Procurement must be consulted before joining or buying from consortia, buying groups or Framework Agreements [\[insert hyperlink to Framework Guidance document\]](#)
- 11.3 Where the expenditure will be more than the EU Threshold, and for Works contracts over £300,000 (Key Decision), Legal Services must be consulted before joining or buying from a Framework Agreement.

- 11.4 To select a Supplier for a call-off Contract under a multi-Supplier Framework Agreement or to conduct a mini competition, the Director, in consultation with Strategic Procurement, must follow the procedure set out in that Framework Agreement.
- 11.5 Successful and unsuccessful Suppliers who participated in a mini-competition must be notified of the decision to award the call-off Contract. The notification letter must be sent by e-mail or fax.
- 11.6 Where a Contract is procured through another local authority or public body (acting as lead authority), the contract procedure rules of that organisation shall apply. Assurance should be sought that the organisation is in compliance with its own contract procedure rules
- 11.7 A decision at the appropriate level will still be required to award a Contract procured through the consortia, buying groups or Framework Agreements (see [Rules 21, 26, 35 and 45](#)). This applies both to Framework Agreements set up by the Council alone and to Framework Agreements set up by another public authority.

12. PURCHASING CARDS

- 12.1 A purchasing card can only be used where provided by the Director of Resources and used strictly in accordance with the Purchasing Card Guidance [\[insert hyperlink\]](#)
- 12.2 Any use of a purchasing card other than in accordance with these Rules could lead to disciplinary action

13. SOCIAL VALUE AND SUPPORTING LOCAL ENTERPRISES INCLUDING VOLUNTARY AND COMMUNITY ORGANISATIONS

- 13.1 Officers should use the Council's purchasing power to support local organisations and to add value to the local geographical area wherever possible where this provides equal or better value for money for the Council than any alternative.
- 13.2 Officers must set out the Council's support for the living wage in the RFQ, ITT and the Contract Document.
- 13.3 Where appropriate, Officers should incorporate questions in the RFQ or ITT and evaluate responses to any of the following that are relevant to the subject matter of the procurement:
- local economic benefits
 - social value benefits
 - local employment
 - local apprenticeships
 - any other benefit that supports the local economy and well-being of the City of Cambridge

Part 3

INITIAL PROCUREMENT STEPS

14. PRE-PROCUREMENT STEPS

- 14.1 The Officer must ensure that the complexity, risk and value of any proposed procurement over **£30,000** is considered fully by setting out the following issues in sufficient detail proportionate to the value of the procurement in a Business Case:
- taking into account the requirements of any review of their service
 - considering the need for the expenditure and its priority
 - defining the objectives of the procurement, undertaking appropriate consultation, and relating these to the Vision Statement and Objectives
 - assessing and managing the risks of the procurement (see [Rule 7](#))
 - considering the most appropriate method of procurement e.g. internal or external sourcing, partnering, Collaboration or use of purchasing consortia.
- 14.2 For Services Contracts over the EU Threshold, in addition to the issues in [Rule 14.1](#) the Business Case must:
- identify how the procurement might improve the economic, social and environmental well-being of Cambridge when seeking authority to invite tenders
 - take into account the Council's Vision Statement, Environmental Objectives and Strategic Objectives in Portfolio Plans when considering the social value priorities for the procurement.

15. AUTHORITY TO INVITE AND EVALUATE QUOTATIONS AND TENDERS AND TO AWARD CONTRACTS

Prior to commencing a procurement exercise, relevant approval must be obtained from the appropriate decision maker to invite and evaluate Quotations and Tenders and (if relevant) delegation to award Contracts – see [Rule 21, 26, 35 and 45](#) and [Procurement Quick Reference Guide No.9 Approvals and Scrutiny \[insert hyperlink\]](#)

16. PRE-TENDER MARKET RESEARCH AND CONSULTATION

See [Rules 24, 31 and 41](#).

17. ADVERTISING AND SELECTION OF SUPPLIERS

- 17.1 If a Contract (regardless of value) may be of interest to both local Suppliers or Suppliers in EU member states, a sufficiently accessible advertisement must be published. Generally, the greater the likely interest, the wider the advertising coverage should be.
- 17.2 An advertisement should be placed in the following:
- Council's website – mandatory for all Contracts over £10,000
 - Source Cambridgeshire – mandatory for all Contracts over £50,000 and recommended for all Contracts under £50,000

- OJEU – mandatory for Contracts above the EU Threshold
 - National specialist journals and/or websites – as considered appropriate by the Director
- 17.3 Officers are responsible for ensuring Suppliers are suitably assessed. The assessment process shall establish that potential Suppliers have sound:
- economic and financial standing
 - technical ability and capacity
 - insurance cover
- 17.4 The Selection Criteria will be either in the RFQ, PQQ or Open Procedure ITT and must be designed to establish the capability of the Supplier to undertake the work (ie look 'backwards' at the Supplier's qualities).
- 17.5 Once Suppliers have been selected, all Suppliers who have submitted a RFQ or PQQ must be informed of the outcome of the selection stage.
- 17.6 Where Suppliers are selected without an advertisement, the Officer must assess potential Suppliers against criteria that:
- are relevant to the purchase, ensure equality of treatment, and the outcome gives Best Value
 - do not include non-commercial considerations or matters that discriminate against EU Suppliers
 - confirm their financial soundness (appropriate to the value and importance of the Contract)
 - confirm their technical ability and capacity (including any necessary qualifications and/or licences)
 - confirm suitable insurance cover

18. STANDARDS AND AWARD CRITERIA

- 18.1 Irrespective of the value of the procurement, potential Suppliers must comply with the relevant European or international standards that apply to the Works, Goods or Services. Strategic Procurement must be consulted if other, or exclusively British, standards are to be used.
- 18.2 Award Criteria must be designed to assess the suitability of the offer being made to the Council for the purchase being made (ie looking 'forward') and must be appropriate to the purchase and ensure equal treatment of Suppliers and value for money for the Council. The basic criteria shall be one of the following:
- "lowest price" where payment is made by the Council
 - "highest price" where payment is received by the Council (e.g. a Concession)
 - "most economically advantageous" where considerations other than price also apply e.g. "quality"
- 18.3 If "most economically advantageous" is used, it must be further defined by use of sub-criteria. Any sub-criteria must be relevant to the subject matter of the Contract. These may include, for example:
- price
 - service standards (including equality issues where appropriate)
 - quality of goods
 - operating costs
 - technical merit

- delivery dates
- cost effectiveness
- environmental considerations
- aesthetic and functional characteristics
- safety (including Safeguarding arrangements where appropriate)
- after-sales service
- technical assistance

18.4 Award Criteria must **not** include:

- non-commercial considerations
- matters which discriminate against Suppliers from the EU
- matters already evaluated during the selection process (Selection Criteria) – see [Rules 17.3 – 17.6](#)

18.5 Award Criteria and sub-criteria must be set out in the RFQ or ITT.

Part 4 – BELOW QUOTATION LEVEL

Contracts below £10,000

19. COMPETITION

The Director must demonstrate Best Value by obtaining at least **one** oral Quotation confirmed in writing for Contracts below £10,000 in value,. Where appropriate, relevant consultation must be carried out.

20. STANDARD TERMS AND CONDITIONS [\[hyperlink to standard terms and conditions\]](#)

20.1 All Contracts must be in writing and a purchase order must be issued for every Contract.

20.2 All Contracts below £10,000 shall clearly specify:

- what is being supplied
- the price
- when the Contract will be performed (start and end dates)
- provision to terminate the Contract
- that the Contract is subject to the Council's Standard Terms and Conditions unless Legal Services approve an alternative

21. AUTHORITY TO ENTER INTO A CONTRACT – below Quotation level

21.1 Under the scheme of Delegation, Directors have authority to enter into Contracts below the Quotation level, provided that a budget has been allocated for that expenditure. Directors have agreed to delegate this authority to Officers for Contracts below £10,000 in value.

22. SIGNATURE OF THE CONTRACT – below Quotation level

22.1 Contracts below the Quotation level must be signed for and on behalf of the Council by the Officer responsible for the Contract.

Part 5 - QUOTATIONS

Contracts from £10,000 to £49,999

See [Procurement Quick Reference Guide No.13a How to Request for a Quotation \[insert hyperlink\]](#)

23. COMPETITION

A minimum of **three** competitive Quotations in writing must be sought. Wherever possible, one Quotation must be from a local Supplier.

24. PRELIMINARY STEPS – Quotations

24.1 Prior to the issue of the RFQ, potential Suppliers may be consulted in general terms about the nature, level and standard of Works, Goods or Services, Contract packaging and other relevant matters provided this does not discriminate against any potential Supplier.

24.2 Officers must not seek or accept technical advice about the preparation of a Specification or RFQ from anyone who may have a commercial interest in them if this prevents equal treatment or distorts competition.

24.3 Advice should be sought from Strategic Procurement prior to any pre-Quotation market research or consultation.

25. STANDARD TERMS AND CONDITIONS [\[hyperlink to standard terms and conditions\]](#)

25.1 All Contracts must be in writing and a purchase order must be issued for every Contract as appropriate.

25.2 All Contracts shall clearly specify:

- what is being supplied
- the price and terms for payment by the Council
- when the Contract will be performed (start and end dates)
- that the Contract is subject to the Council's Standard Terms and Conditions unless Legal Services approve an alternative, e.g. because the procurement is unusual or represents a significant risk to the Council

25.3 The Supplier's terms and conditions must not be used unless agreed otherwise by Legal Services.

25.4 All Contracts must provide for payment by the Council after supply of the Works, Goods or Services or as agreed by the Director responsible. Exceptionally, and only with the consent of the Director of Resources, a Contract may provide for payment in advance

25.5 Terms and conditions must be issued with the RFQ.

26. AUTHORITY TO INVITE AND EVALUATE QUOTATIONS AND AWARD CONTRACTS [See Procurement Quick Reference Guide No.9 Approvals and Scrutiny \[hyperlink\]](#)

Directors have delegated authority under the scheme of Delegation as set out in Part 3, Section 9 of the Constitution to invite and evaluate Quotations and to award Contracts below £300,000 (Key Decision) provided that a budget has been allocated for that expenditure. Directors have agreed to delegate this authority to Heads of Service for Contracts from £10,000 to £49,999.

27. REQUEST FOR QUOTATION

- 27.1 Select at least **3** Suppliers to be invited to quote, at least one of whom should, whenever possible, be based in the City of Cambridge or immediately surrounding area. The shortlist must be selected from responses to an advertisement on the Council's own website (mandatory) and Source Cambridgeshire (recommended).
- 27.2 Be satisfied that the Suppliers invited to quote have the technical ability and capacity (including their health & safety and equal opportunities policies as appropriate) to undertake the Contract for the Council and this can only be demonstrated via a competition, unless the Suppliers are selected from a Framework Agreement or other purchasing consortia.
- 27.3 The RFQ must contain sufficient information about the Council's requirements in the form of a Specification to enable a competitive price to be obtained.
- 27.4 The RFQ must state whether Quotations will be evaluated on the basis of most economically advantageous to the Council or on the basis of price only.
- 27.5 The RFQ must state that the Council is not bound to accept any Quotation.
- 27.6 All Suppliers must receive the same RFQ at the same time and subject to the same conditions, and this includes any subsequent information.
- 27.7 Allow sufficient time for submission of Quotations. The recommended minimum is **10** working days from the date of the RFQ, but this may vary depending on the urgency or complexity of the requirement.
- 27.8 The Head of Service shall keep a record of:
- the criteria used to select Suppliers to provide a Quotation
 - details of Suppliers requested to provide a Quotation
 - any checks carried out in respect of Suppliers
 - the basis of selection of a Quotation, ie most economically advantageous or lowest price – see **Rule 18 and Procurement Quick Reference Guide No.14 Evaluation of Tenders or Quotations** [\[insert hyperlink\]](#)

28. AWARD OF THE CONTRACT – Quotations

As soon as practicable after the decision to award the Contract has been made, the Head of Service must write to inform the successful and unsuccessful Suppliers of that decision. [\[hyperlink to standard letters\]](#)

29. SIGNATURE OF THE CONTRACT – Quotations

- 29.1 Contracts for Quotations must be signed for and on behalf of the Council by the Head of Service responsible for the Contract or an Officer authorised by him/her.
- 29.2 Unless ordered using a purchase order, the work under the Contract must not start until the Contract has been signed by both parties, unless agreed in advance with Legal Services. See guide on Process for Award and Signature of Contracts [\[insert hyperlink\]](#)

Part 6 – NON-EU TENDERS

Contracts from £50,000 to the EU Threshold

See [Procurement Quick Reference Guide No.13c Inviting a Tender \(ITT\) \[insert hyperlink\]](#)

30. COMPETITION

Competitive Tenders must be sought for Contracts of £50,000 or more in value.

31. PRELIMINARY STEPS – Non-EU Tenders

- 31.1 Prior to the issue of the ITT, potential Suppliers may be consulted in general terms about the nature, level and standard of Works, Goods or Services, Contract packaging and other relevant matters provided this does not discriminate against any potential Supplier.
- 31.2 Officers must not seek or accept technical advice about the preparation of a Specification or ITT from anyone who may have a commercial interest in them if this prevents equal treatment or distorts competition.
- 31.3 Advice should be sought from Strategic Procurement prior to any pre-tender market research or consultation.

32. SPECIFICATION – Non-EU Tenders [See Procurement Quick Reference Guide No.10 Specification Writing \[insert hyperlink\]](#)

- 32.1 A clear and comprehensive Specification of the Council's requirements must be prepared with regard to the Works, Goods or Services to be supplied.
- 32.2 The Specification should incorporate measurable and, so far as is possible, objective quality and performance criteria to enable the Director to see whether the Council's requirements are being met by the Supplier.
- 32.3 If an Officer is intending to allow Consultants who assist in the preparation of a Specification to be invited to tender for the Contract, advice must be sought from Strategic Procurement and Legal Services.

33. TERMS AND CONDITIONS – Non-EU Tenders

- 33.1 The Director must use the Council's standard contract for Contracts below the EU Threshold for inclusion in the ITT [\[insert hyperlink\]](#) which shall clearly specify:
- § the price and terms for payment by the Council; and
 - § when the Contract will be performed (start and end dates).
- 33.2 The Supplier's terms and conditions must not be used unless agreed otherwise by Legal Services.
- 33.3 All Contracts must provide for payment by the Council after supply of the Works, Goods or Services (which includes performance related milestones). Exceptionally, and only with the consent of the Director of Resources, a Contract may provide for payment in advance.
- 33.4 Terms and conditions must be issued with the ITT.

34. BONDS AND PARENT COMPANY GUARANTEES

Refer to [Rule 44](#).

35. AUTHORITY TO INVITE AND EVALUATE TENDERS AND AWARD CONTRACTS – Non-EU Tenders [See Procurement Quick Reference Guide No.9 Approvals and Scrutiny \[insert hyperlink\]](#)

35.1 Directors have delegated authority under the scheme of Delegation as set out in Part 3, Section 9 of the Constitution to invite and evaluate Tenders and to award Contracts below £300,000 (Key Decision) provided that a budget has been allocated for that expenditure.

35.2 For Contracts of £300,000 (Key Decision) and above, consent from the relevant Executive Councillor following pre-Scrutiny to invite and evaluate Tenders (and, if appropriate, delegation to award Contracts) must be obtained before any procurement documents are issued. In order to get a report to the relevant Scrutiny Committee, the Officer must publish a short description of the proposed procurement on the Council's Forward Plan at least 3 months prior to the relevant Committee meeting. In order to obtain authority, a budget must have been allocated for the proposed expenditure.

36. TENDER PROCEDURE – Non-EU Tenders

36.1 The Tender procedure must be followed when letting Contracts of £50,000 or more in value.

36.2 Select a shortlist of at least **4** Suppliers to be invited to tender from responses to an advertisement on the Council's own website and Source Cambridgeshire (both mandatory).

36.3 To ensure genuine competition, a minimum number of **4** Suppliers must be invited to tender. If there are fewer than **4** expressions of interest in being invited to tender or fewer than **4** satisfactory PQQs (where a PQQ is used), then the minimum number of Suppliers to be invited to tender may be reduced as appropriate. Strategic Procurement must be consulted if there is only one remaining suitable Supplier.

36.5 The ITT [\[insert hyperlink\]](#) must include :

- § instructions to tenderers;
- § the Council's Specification;
- § the terms and conditions of Contract;
- § a form of tender for completion by the tenderer. The form of tender must acknowledge that the Council is not obliged to accept the lowest or any tender. The form of tender must also state that the tender will remain open for acceptance by the Council for a period of **90 days** after the last date for receipt of tenders, or such other period as appropriate;
- § if appropriate, a pricing document for completion by the tenderer; and
- § if the Contract may involve the transfer of employees under TUPE, from the Council to a Contractor or from one Contractor to another, all relevant information relating to those employees in an anonymised format **provided** tenderers have signed a confidentiality undertaking. It is the responsibility of the Director to obtain full and accurate employee information in sufficient time to include it in the ITT.

36.6 Sufficient time must be allowed for submission of tenders. The minimum is **20** working days from the date of the ITT, but this may vary depending on the urgency or

- complexity of the requirement and, if less than 20 working days, is subject to prior approval from the Director responsible for the Contract.
- 36.7 Amendments to ITT documents, made after the invitations have been sent out, must be clearly headed "**ITT Amendment**" and sent to all Suppliers who have been invited to tender. One or more amendments must be numbered consecutively. Amendments must be sent out in sufficient time to allow Suppliers to adjust their Tenders before close of Tenders. If necessary, the tender period must be extended to allow for this.
- 36.8 Officers are permitted to provide clarification of an ITT to tenderers but any clarifications must be issued to all tenderers at the same time.
- 36.9 Until the Contract has been awarded (ie signed or sealed, as appropriate, and dated), the information obtained at the opening of tenders is confidential to those involved in the opening process and those directly involved in evaluation of the Tenders. Confidentiality must be maintained and any breach reported to the Council's Monitoring Officer.
- 36.10 On receipt, the Tenders must be:
- § date stamped
 - § marked with the time of receipt on the Tender envelope
 - § initialled by the receiving representative of the Director of Resources
 - § stored safely to guard against any amendment of its contents
 - § logged immediately in the Tender Record Book
- 36.11 The Director of Resources must ensure that all Tenders are opened at the same time once the tender period has ended. A representative of the Director of Resources and the Officer or his/her representative must be present at the Tender opening.
- 36.12 A tender that does not comply with the instructions to tenderers or is conditional must be treated as non-compliant and rejected. **Non-compliant tenders must not be evaluated unless the Strategic Procurement Adviser advises otherwise.**
- 36.13 Upon opening, the Officer must record in the Tender Record Book:
- § the Works, Goods or Services to be supplied;
 - § the name of each tenderer;
 - § the amount of each Tender or such other information as may be relevant to the procurement;
 - § the date and time of opening of each Tender;
 - § the names of all persons present at the time of opening.
- The Director's representative must certify the record as correct.
- 36.14 Negotiations with Suppliers who have tendered for a Contract are not permitted by EU law and are therefore unlawful, regardless of whether the value of the Contract is above or below the EU Threshold. After Tenders have been opened, **and before the Tenders have been scored**, the Officer, in consultation with Strategic Procurement may require one or more Tenders to be clarified by the tenderer. Clarification questions and answers must be fully documented and the relevant clarifications incorporated in the Contract Document. Clarifications must not make any substantive changes to the Tender. Tenders must not be scored until clarifications have been completed.
- 36.15 A Supplier's Tender is his offer to the Council, which the Council may accept as it stands. Once submitted, a tenderer cannot alter the amount of the Tender or any of his Tender proposals. If a tenderer attempts to alter his tender after the last date for receipt of Tenders, he must be given the opportunity to stand by or withdraw his

original Tender. The Council may correct an obvious arithmetical error e.g. £2000 + £2000 = £5000 can be corrected to £4000.

37. EVALUATION OF NON-EU TENDERS – see **Rule 18** and **Procurement Quick Reference Guide No.14 Evaluation of Tenders or Quotations** [insert hyperlink]

- 37.1 Confidentiality of Tenders and the identity of tenderers must be maintained at all times and information about one tenderer's response must not be divulged to another tenderer.
- 37.2 The Head of Legal Services must be consulted before responding to a Freedom of Information request regarding a current or recent tendering process.
- 37.3 Tenders should normally be evaluated on the basis of 'most economically advantageous' to the Council. The basis of evaluation must be stated in the ITT. If the basis of evaluation is 'most economically advantageous', the criteria for evaluation must be set out in the ITT with the weightings to be given to them.
- 37.4 If the basis of evaluation is price only, only the lowest compliant Tender (if payment is to be made **by** the Council) or the highest compliant Tender (if payment is to be made **to** the Council) may be accepted.
- 37.5 If the basis of evaluation is 'most economically advantageous', an appropriate evaluation panel must consider the Tenders and evaluate them against the criteria and weightings stated in the ITT. The evaluation panel may include service users and/or external consultants but must not include elected members of the Council.
- 37.6 All valid Tenders received must be evaluated, and in accordance with the published Award Criteria.
- 37.7 Tenders must be accepted in accordance with the outcome of the evaluation or not at all.
- 37.8 If no suitable Tenders are received, Strategic Procurement must be consulted as to how the Works, Supplies or Service concerned may be procured.
- 37.9 A Tender that exceeds the budget allocated may only be accepted by the Director if it is within **5%** or less of the approved budget from the Business Case and approval to the additional expenditure is obtained from the Director of Resources **before** the Tender is accepted.
- 37.10 If a Tender exceeds the budget allocated by more than **5%** then either
- § a fresh Tender exercise is undertaken; or
 - § the Director must obtain the approval of the relevant Executive Councillor and the Director of Resources to accept the Tender.
- 37.11 For Concession Contracts, **Rules 37.9** and **37.10** shall apply if the Tender received is less than the Contract value by **5%** or more
- 37.12 If all valid Tenders are too high to be accepted and there is no further allocation of additional funds, the Director may delete part of the Specification and ask all Suppliers invited to tender to re-price and then re-submit their Tenders. In such cases, the Director must set out the deletion in a bill of reductions or other document, to be incorporated into the Contract Document.
- 37.13 If the Contract will result in the application of the TUPE, the Director must ensure that the successful tenderer has dealt with all employee matters including pay, conditions of employment and pension rights and benefits in his Tender and will give all appropriate indemnities in the Contract. Human Resources and Legal Services must be consulted early in all such cases.

- 37.14 The Director is responsible for producing a full tender report for the purposes of an audit trail and record keeping, which should :
- § confirm that the Tender procedure has complied with these Contract Procedure Rules;
 - § list the tenderers invited and Tenders received;
 - § list the evaluation criteria and weightings; and
 - § show the scoring of Tenders on evaluation.

If the Director is not the decision maker, the Tender report must be sent to the decision maker before the decision to award the Contract is made.

38. AWARD OF THE CONTRACT – Non-EU Tenders

- 38.1 Refer to **Rule 35**.
- 38.2 As soon as practicable after the decision to award the Contract has been made, the Director must write to inform the successful and unsuccessful tenderers of that decision.
- 38.3 If an unsuccessful Supplier requests in writing reasons for the decision, the Officer must comply with the Council's corporate response standard but in any event a written response must be provided within **10** days of the request.

39. SIGNATURE OF CONTRACT – Non-EU Tenders

- 39.1 The Supplier must not be allowed to begin work on the Contract until the Contract Document has been signed or sealed as appropriate by both parties. See guide to Process for Award and Signature of Contracts **[insert hyperlink]**
- 39.3 Contracts for Tenders must be signed for and on behalf of the Council by the Director responsible for the Contract personally (unless advised by Legal Services that the Contract should be sealed due to the risk or complexity of the Contract).
- 39.4 An award letter or letter of intent must not be used instead of a Contract (unless agreed otherwise by Legal Services).
- 39.5 Works Contracts are generally executed as deeds, by affixing the Council's Common Seal (unless agreed by Legal Services that the Contract can be signed).

Part 7 – EU TENDERS

Contracts over the EU Threshold

See [Procurement Quick Reference Guide No.13c Inviting a Tender \(ITT\) \[insert hyperlink\]](#)

40. COMPETITION

Competitive Tenders must be sought for Contracts over the EU Threshold.

41. PRELIMINARY STEPS – EU Tenders

41.1 Strategic Procurement must be consulted to determine the most appropriate method of conducting the procurement, taking into account the principles in the [\[“Guide” – insert hyperlink\]](#).

41.2 At the same time as consulting Strategic Procurement, full instructions must be given to Legal Services to draft or approve terms and conditions of Contract.

41.3 A business case must be prepared, which must include provision for resources for the management of the Contract for its entire duration.

42. SPECIFICATION – EU Tenders [See Procurement Quick Reference Guide No.10 Specification Writing \[insert hyperlink\]](#)

42.1 A clear and comprehensive Specification of the Council's requirements must be prepared with regard to the Works, Goods or Services to be supplied.

42.2 All Works, Goods and Services must be specified by reference to European standards, or national standards if no European standards are set. Named products or manufacturers must not be specified. Although the words “or equivalent” may be used, it is preferable to describe the features of a particular product.

42.3 The Specification should incorporate measurable and, so far as is possible, objective quality and performance criteria to enable the Director to see whether the Council's requirements are being met by the Supplier.

42.4 All necessary professional and technical advice and assistance must be obtained in preparing the Specification, to ensure a comprehensive document that expresses the Council's requirements and protects its interests. If it is intended to allow Consultants who assist in the preparation of a Specification to be invited to tender for the Contract, advice must be sought from Strategic Procurement and Legal Services. The people who prepare the Specification should, as a rule, be part of the panel that will evaluate the Tenders.

42.5 Generally, the OJEU contract notice or other advertisement inviting Tenders must not be published until the Specification has been drafted.

43. TERMS AND CONDITIONS – EU Tenders

43.1 Full instructions must be given to Legal Services at the earliest opportunity to draft the terms and conditions of contract or to approve standard terms and conditions of contract e.g. JCT.

43.2 The Director must :

- § Require the Supplier to maintain appropriate and adequate levels of insurance cover, in consultation with the Council's Support Services Manager, for (as appropriate) employer's liability, public liability, products liability, all risks/contract

works and professional indemnity insurance. Unless otherwise agreed by the Support Services Manager, the minimum levels of cover shall be

§ £5 million for employer's liability insurance

§ £5 million for public liability and products liability insurance

§ £2 million for professional indemnity insurance.

All policies must contain an 'indemnity to principal' clause (ie the Supplier's insurance policy will be extended to the Council as if the Council was the insured person).

§ Ensure that the Supplier holds the required insurance cover at the start of the Contract and renews the policies as necessary during the Contract period.

43.3 All Contracts, whatever their value, must provide for payment by the Council after supply of the Works, Goods or Services (which includes performance related milestones). Exceptionally, and only with the consent of the Director of Resources, a Contract may provide for payment in advance.

44. BONDS AND PARENT COMPANY GUARANTEES

44.1 For every Contract of £300,000 or more in value, the Director must decide, taking appropriate advice, whether the circumstances justify the Council requiring the Supplier to provide a Parent Company Guarantee. If the Supplier does not have a parent company or the parent company is not approved under **Rule 44.4**, the Supplier may be required to provide a Bond.

44.2 If a Bond is required, the amount of the Bond must be not less than **10%** of the total Contract value or the whole of the annual Contract value, unless agreed otherwise by the Director of Resources.

44.3 A Bond may be required where the Council intends to make staged payments in advance of receiving the whole of the deliverable under the Contract and there is concern about the financial stability of the provider.

44.4 The parent company or the surety for a Bond must be approved by the Director of Resources.

44.5 All Parent Company Guarantees and Bonds must be in a form approved by Legal Services. A specimen of the Parent Company Guarantee and Bond must be included in the ITT.

45. AUTHORITY TO INVITE AND EVALUATE TENDERS AND AWARD CONTRACTS – EU Tenders [See Procurement Quick Reference Guide No.9 Approvals and Scrutiny \[insert hyperlink\]](#)

45.1 Directors have delegated authority under the scheme of Delegation as set out in Part 3, Section 9 of the Constitution to invite and evaluate Tenders and to award Contracts below £300,000 (Key Decision) provided that a budget has been allocated for that expenditure.

45.2 For Contracts of £300,000 (Key Decision) and above, consent from the relevant Executive Councillor following pre-Scrutiny to invite and evaluate Tenders (and, if appropriate, delegation to award Contracts) must be obtained before any procurement documents are issued. In order to get a report to the relevant Scrutiny Committee, the Officer must publish a short description of the proposed procurement on the Council's Forward Plan at least 3 months prior to the relevant Committee meeting. In order to obtain authority, a budget must have been allocated for the proposed expenditure.

45.3 The OJEU contract notice or other advertisement inviting Tenders must not be published until the Director or /Executive Councillor/ Scrutiny Committee (as appropriate) has made the decision to invite and evaluate Tenders and the decision has been recorded in writing.

46. ESTABLISHING A NEW FRAMEWORK AGREEMENT

46.1 Legal Services and Strategic Procurement must be consulted before setting up a new Framework Agreement for the Council.

46.2 Prior to commencing a Tender exercise to set up a new Framework Agreement, approval must be obtained from the relevant decision maker – see [Rule 45](#).

46.2 A Framework Agreement must not be longer than **4 years** unless specifically agreed with the Head of Legal Services.

46.3 A Framework Agreement may be entered into with a single Supplier. However, a multi-Supplier Framework Agreement must be entered into with a minimum of **3** Suppliers.

47. TENDER PROCEDURE – EU Tenders See [Procurement Quick Reference Guide No.13c Inviting a Tender \(ITT\)](#) [\[insert hyperlink\]](#)

47.1 The Tender procedure must be followed, in consultation with Strategic Procurement and Legal Services, when letting Contracts above the EU Threshold or when setting up a new Framework Agreement.

47.2 The Director must first establish whether the EU Regulations apply to a proposed Contract and if so the appropriate EU Regulations must be followed (as defined in consultation with Legal Services and/or Strategic Procurement).

47.3 Sufficient time should be built into the Tender procedure to prepare the Specification and terms and conditions of Contract. This will enable a smooth, timely and lawful Tender procedure.

47.4 The selection of Suppliers to be invited to tender for the Contract must follow the requirements of the EU Regulations. The Contract must be advertised in OJEU. OJEU notices must only be placed by Strategic Procurement (or, where used, a Central Purchasing Body such as ESPO), in consultation with Legal Services. Directors or consultants must not place OJEU notices themselves.

47.5 Whether or not the EU Regulations apply to a proposed Contract, a sufficient number of Suppliers must be invited to tender to ensure genuine competition. The minimum number is **5**. If there are fewer than **5** expressions of interest in being invited to tender or fewer than **5** satisfactory PQQs, then the minimum number of Suppliers to be invited to tender may be reduced, with the approval of Strategic Procurement and Legal Services.

47.6 Where a PQQ is used, as soon as possible after the selection of the shortlist of Suppliers to be invited to tender, Officers must write to any Suppliers who submitted a PQQ but who were not selected, informing them why they were not selected. If a Supplier who was not selected asks for further information on why he was unsuccessful, the Director must make arrangements for the de-briefing within **5** days.

47.7 The ITT must include :

- § the criteria and sub-criteria against which Tenders will be evaluated, the weightings that will be attached to the criteria and sub-criteria and the method of scoring to be used;

- § instructions to tenderers;
 - § the Council's Specification;
 - § the terms and conditions of Contract, in a form drafted by or approved by Legal Services;
 - § a form of tender for completion by the tenderer. The form of tender must acknowledge that the Council is not obliged to accept the lowest or any tender. The form of tender must also state that the tender will remain open for acceptance by the Council for a period of **90 days** after the last date for receipt of tenders, or such other period as appropriate.
 - § if a performance Bond is required, the form of tender must require the tenderer to state the amount, if any, by which his price will be increased for the provision of the Bond;
 - § if appropriate, a pricing document for completion by the tenderer; and
 - § if the Contract may involve the transfer of employees, from the Council to a Contractor or from one Contractor to another, all relevant information relating to those employees in an anonymised format **provided** tenderers have signed a confidentiality undertaking. It is the responsibility of the Director to obtain full and accurate employee information in sufficient time to include it in the ITT.
- 47.8 The time allowed for submission of PQQs and Tenders must comply with EU Regulations.
- 47.9 Amendments to ITT documents, made after the invitations have been sent out, must be clearly headed "**ITT Amendment**" and sent to all Suppliers who have been invited to tender. One or more amendments must be numbered consecutively. Amendments must be sent out in sufficient time to allow Suppliers to adjust their Tenders before close of Tenders. If necessary, the Tender period must be extended to allow for this.
- 47.10 Until the Contract has been awarded, the information obtained at the opening of Tenders is confidential to those involved in the opening process and those directly involved in evaluation of the Tenders. Confidentiality must be maintained and any breach reported to the Council's Monitoring Officer.
- 47.11 On receipt, the Tenders must be:
- § date stamped
 - § marked with the time of receipt on the Tender envelope
 - § initialled by the receiving representative of the Director of Resources
 - § stored safely to guard against any amendment of its contents
 - § logged immediately in the Tender Record Book
- 47.12 The Director of Resources must ensure that all Tenders are opened at the same time once the tender period has ended. A representative of the Director of Resources and the Officer or his/her representative must be present at the Tender opening.
- 47.13 A Tender that does not comply with the instructions to tenderers or is conditional must be treated as non-compliant and rejected. **Non-compliant Tenders must not be evaluated unless the Strategic Procurement Adviser advises otherwise.**
- 47.14 Upon opening, the Officer must record in the Tender Record Book:
- § the Works, Goods or Services to be supplied;
 - § the name of each tenderer;
 - § the amount of each Tender or such other information as may be relevant to the procurement;

- § the date and time of opening of each Tender;
- § the names of all persons present at the time of opening.

The Director's representative must certify the record as correct.

48. CLARIFICATION AND NEGOTIATION – EU Tenders

- 48.1 Negotiations with Suppliers who have tendered for a Contract through an Open or Restricted Procedure are not permitted by EU law and are therefore unlawful. After Tenders have been opened, **and before the Tenders have been scored**, the Director **must** consider whether advice is required from Strategic Procurement or Legal Services to determine whether one or more Tenders need to be clarified by the tenderer.
- 48.2 Clarifications must be designed to ensure that the Council has fully understood the Tender submitted. Clarifications must not make any substantive changes to the Tender.
- 48.3 Clarification questions and answers must be fully documented in a form approved by Legal Services and the relevant clarifications incorporated in the Contract Document.
- 48.4 Tenders must not be evaluated and scored until clarifications have been completed.

49. EVALUATION OF TENDERS – EU Tenders [Procurement Quick Reference Guide No.14 Evaluation of Tenders or Quotations \[insert hyperlink\]](#)

- 49.1 Tenders should normally be evaluated on the basis of 'most economically advantageous' to the Council. Exceptionally, Tenders may be evaluated on the basis of price only. The basis of evaluation must be stated in the OJEU contract notice and in any other advertisement.
- 49.2 If the basis of evaluation is price only, only the lowest compliant Tender (if payment is to be made **by** the Council) or the highest compliant Tender (if payment is to be made **to** the Council) may be accepted.
- 49.3 If the basis of evaluation is 'most economically advantageous', an appropriate evaluation panel must consider the Tenders and evaluate them against the criteria and weightings stated in the ITT. The evaluation panel may include service users and/or external consultants but may not include elected members of the Council. The evaluation panel should, as a rule, comprise those people who have had significant input into drawing up the Specification.
- 49.4 All valid Tenders received must be evaluated. Each member of the evaluation panel must make full notes of his/her evaluation and pass the notes to the project lead for retention as part of the record of the procurement.
- 49.5 Tenders must be accepted in accordance with the outcome of the evaluation or not at all.
- 49.6 If no suitable Tenders are received, the Director must consult Strategic Procurement as to how the Works, Supplies or Service concerned may be procured.
- 49.7 A Tender that exceeds the budget allocated may only be accepted by the Director of Resources if it is within **5%** or less of the original estimate and approval to the additional expenditure is obtained from the Director of Resources **before** the Tender is accepted.
- 49.8 If a Tender exceeds the budget allocated by more than **5%** then either
 - § a fresh Tender exercise is undertaken; or

- § the Director must obtain the approval of the relevant Executive Councillor and the Director of Resources to accept the Tender.
- 49.9 If the Contract will result in the application of the TUPE, the Director must ensure that the successful tenderer has dealt with all employee matters including pay, conditions of employment and pension rights and benefits in his Tender and will give all appropriate indemnities in the Contract. Human Resources and Legal Services must be consulted early in all such cases.

50. AMENDMENTS AND ALTERATIONS TO TENDERS – EU Tenders

- 50.1 A Supplier's Tender is his offer to the Council, which the Council may accept as it stands. Once he has submitted his Tender and it has been clarified if necessary, a tenderer is not permitted to make any alteration to the amount of the Tender or any of his Tender proposals.
- 50.2 If a tenderer attempts to alter his offer after the last date for receipt of Tenders, he must be given the opportunity to stand by or withdraw his original offer. Correction of an obvious arithmetical error in a fixed price Tender, may be accepted e.g. £2000 + £2000 = £5000 can be corrected to £4000.
- 50.3 A Tender that is qualified or expressed to be conditional upon the Council's acceptance of alterations to the Specification or the terms and conditions of Contract must be treated as non-compliant and rejected. **Non-compliant Tenders must not be evaluated.** This does not prevent the Council inviting variant bids (provided this was set out in the OJEU notice). If variant bids are invited, tenderers must be required to submit a mandatory reference bid based on the Specification and terms and conditions included in the ITT as well as their separate variant bid, so that all bids may be compared fairly.
- 50.4 Before a Tender has been accepted, a Director may ask all tenderers to hold their Tenders open for a longer period. Tenders should in any event remain open for acceptance for a period of **90 days** from the latest date for receipt of Tenders, or such other period as the Director considers appropriate, and the form of tender must make this clear.

51. AWARD OF THE CONTRACT – EU Tenders

- 51.1 Refer to **Rule 45** in respect of authority to award a Contract.
- 51.2 The Director is responsible for producing a full tender report for the purposes of an audit trail and record keeping, which should:
- § confirm that the Tender procedure has complied with these Contract Procedure Rules.
 - § list the tenderers invited and Tenders received;
 - § list the evaluation criteria and weightings; and
 - § show the scoring of Tenders on evaluation.
- 51.3 If the Director is not the decision maker, the recommendation to the decision maker to award the Contract must include the name of the successful tenderer, the length of the Contract and any options for extension and the price or estimated price of the Contract.
- 51.4 As soon as possible after the decision to award the Contract has been made, the Director must write to inform the successful tenderer of that decision. The letter **must** state that award of the Contract is subject to signature by both parties of the Contract Document, which will be sent to the tenderer by Legal Services. The letter must be sent by e-mail or fax.

- 51.5 At the same time as informing the successful tenderer, the Director must write to each unsuccessful tenderer (and each Supplier who was invited to tender but who did not submit a Tender). The standstill letter to the unsuccessful tenderers must be sent by e-mail or fax. See **Procurement Quick Reference Guide No.15 The Standstill Period** [\[insert hyperlink\]](#)
- 51.6 The standstill letter must be approved by Strategic Procurement and Legal Services before being issued.
- 51.7 If an unsuccessful tenderer asks for further information on why he was unsuccessful, the Director must immediately i.e. the same day arrange for the de-briefing.
- 51.8 The Contract Document must not be signed or sealed (as appropriate) before the expiry of **10** days (the standstill period) following the date the notification of the decision to award the Contract (the standstill letter) was sent.

52. SIGNATURE OF THE CONTRACT – EU Tenders

- 52.1 The Supplier must not be allowed to begin work on the Contract until the Contract Document has been signed or sealed as appropriate by both parties unless the written consent of the Head of Legal Services is obtained. See Guide to Process for Award and Signature of Contracts [\[insert hyperlink\]](#)
- 52.2 All Contracts executed as deeds must have the Council's Common Seal impressed on them, witnessed by the Head of Legal Services or an Officer authorised by him.
- 52.3 All Framework Agreements, Bonds and Parent Company Guarantees, and all Contracts of £300,000 (Key Decision) or more must be executed as deeds, unless agreed otherwise by Legal Services. Legal Services may direct that other Contracts must be executed as deeds due to the risk or complexity of the Contract.
- 52.4 Contracts over the EU Threshold (that are not deeds) must be signed for and on behalf of the Council by the Director who is responsible for the Contract and one other Officer unless the Head of Legal Services advises otherwise.

Part 8

For Contracts that have commenced

- 53. CONTRACT MANAGEMENT** See **Procurement Quick Reference Guide No.17 Managing your Contract and Preparing for the Next** [\[insert hyperlink\]](#)
- 53.1 Work under a Contract must not begin until the Contract Document has been signed or sealed and dated unless the written consent of the Head of Legal Services is obtained.
- 53.2 The Director must ensure that Strategic Procurement are advised of any Contracts entered into by his/her department.
- 53.3 Strategic Procurement or a Central Purchasing Body (such as ESPO) shall arrange for publication of a Contract award notice in OJEU, if appropriate.
- 53.4 For all Contracts over £50,000, the relevant Head of Service shall appoint a Contract manager for the duration of the Contract.
- 53.5 The Contract manager is responsible for :
- § managing the Contract and ensuring that it is carried out in accordance with its terms and conditions
 - § monitoring the Supplier's performance and ensuring compliance
 - § monitoring cost and Best Value requirements
 - § monitoring equalities and sustainability data, where appropriate
 - § monitoring user satisfaction and risk management
 - § formal and documented periodic reviews (as a minimum, these should be quarterly)
 - § making the Supplier aware that he is expected to comply with the Council's policies
 - § ensuring that the Supplier maintains the insurance policies required by the Contract
 - § agreeing and recording any minor changes to the Contract before they are carried out
 - § keeping a record of all valuations, payments, claims, monitoring, changes and certificates under the Contract. Payments must only be made against a valid invoice
 - § deducting liquidated damages, if appropriate
 - § in consultation with Legal Services and the Director of Resources, consenting to sub-contracts, and assignments and novations to new Suppliers
 - § managing the transition between the ending of one Contract and the beginning of another.
- 53.6 The Director **must** consult Legal Services for consideration of the Council's legal position :
- § before any Contract is to be terminated or suspended

- § in the event of a claim for payment not clearly within the terms and conditions of Contract
 - § before making any deduction from payments due to a Supplier or withholding payment from a Supplier (unless provision is made for this in the Contract)
 - § before settling any dispute
 - § before making any extension to a Contract or variation of the scope of a Contract
 - § In the event that a Supplier enters into receivership or goes into liquidation.
- 53.7 At the end of any Contract over the EU threshold, the Contract manager must provide a written report to the relevant Director evaluating the extent to which the Contract met the purchasing need and contractual objectives as set out in the original Project Appraisal or Business Case.
- 53.8 If the Contract is to be re-let, the Contract manager's report should be available in sufficient time to inform the approach to re-letting any subsequent Contract.

54. RECORD KEEPING

- 54.1 For Contracts between £10,000 and £50,000 the following records must be kept:
- RFQ issued and Quotations received
 - Exemptions and the reason for them
 - The reason(s) why the lowest price was not accepted
 - Written communications with the successful Supplier or unsuccessful Suppliers
 - Approval decisions from the appropriate decision make.
- 54.2 For Contracts above £50,000 the following records must be kept:
- Approval decisions from Directors and Executive Councillors
 - Details of approved budget
 - Details of any options appraisal and resulting Business Case
 - Method used for obtaining Tenders
 - Written communications with Suppliers
 - Contracting decisions (e.g. withdrawal of an ITT; who to invite to submit a Quotation or Tender; award of Contract; decision to terminate a Contract; variation or extension to a Contract) and the reasons for them
 - Exemptions and the reasons for them
 - Award Criteria in descending order of importance
 - Tender documents issued and received from Suppliers
 - Records relating to Evaluation of Tenders
 - Clarifications and any post-tender negotiations, including minutes of any meetings and correspondence
 - Contract Documents
 - Post-Contract monitoring information
 - Written communication with the successful Supplier throughout the Contract period
- 54.3 Records must be retained for **6 years** for Contracts signed by hand and for **12 years** for Contracts signed/sealed as Deeds.

54.4 Written records relating to unsuccessful Suppliers may be microfilmed, scanned or stored after 12 months from Contract award, provided there is no dispute about the award.

55. EXTENSION TO DURATION OF CONTRACT

55.1 An extension to a Contract is an additional period at the end of the Contract, during which the Works or the Services to be carried out are a repetition of the Works or Services under the original Contract.

55.2 Unless a Contract specifically includes an option to extend its term, that Contract may not be extended unless an appropriate exemption is approved. The Contract will cease to exist at the end of its term.

55.3 If a Contract specifically includes an option to extend its term **and** :

- § the OJEU notice or other advertisements for the Contract stated that an extension Contract may be awarded; and
- § the estimated value of the Contract in the OJEU notice or other advertisements took account of the potential extended Contract; and
- § the extension represents good Best Value for the Council,

then the Director may make a decision to award the extension Contract.

Once the extension has expired, that Contract will cease to exist.

56. VARIATION TO THE SCOPE OF CONTRACT

56.1 Provided that a budget has been allocated for that expenditure and Best Value can be demonstrated, the Director may agree with a Supplier for him to carry out additional related Works or Services that were not included in the original Contract but which through unforeseen circumstances have become necessary and which either

- § cannot for technical or economic reasons be carried out or provided separately from those included in the original Contract without major inconvenience to the Council; or
- § could be carried out or provided separately but are strictly necessary to the later stages of the Contract.

56.2 Authorisation for the additional spend must be obtained from the appropriate decision maker.

56.3 Officers must consult Strategic Procurement or Legal Services before varying a Contract

Part 9

Exemptions to the Contract Procedure Rules

EXEMPTIONS

- 57.1 An exemption to the Contract Procedure Rules is a permission to let a Contract without complying with one or more of the Rules relating to competition requirements, e.g. by negotiating with one or more Suppliers prior to awarding a Contract.
- 57.2 An application for an exemption to allow a Contract to be let without genuine competition will not be granted without a cogent reason. A lack of time caused by inadequate forward planning is not a cogent reason and will not permit an exemption to the Rules. If an application to let a Contract without genuine competition is granted, the Officer responsible for the Contract must demonstrate that the price obtained is not in excess of the market price and that the Contract represents Best Value.
- 57.3 An exemption cannot be granted for Contracts over the EU threshold unless agreed with Legal Services that there are no cross-border competition requirements.
- 57.4 Only the Director of Resources, in consultation with the Head of Internal Audit and the Strategic Procurement Adviser, may grant an exemption to let a contract without genuine competition. Applications for exemptions must be made in writing using the Exemption Notification Form [\[hyperlink\]](#), copied to the relevant Director and signed by the Officer requiring an exemption.
- 57.5 Officers are responsible for ensuring that exemptions to the Rules are approved in advance of any action undertaken.
- 57.6 The Head of Internal Audit will keep a register of all exemptions.
- 57.7 An exemption may be granted subject to conditions

AUTOMATIC EXEMPTIONS

- 57.8 A written application will NOT be required for an automatic exemption, which will be granted where the relevant Director is satisfied that any of the following apply:
- (a) following completion of a procurement exercise within the previous 6 months, no satisfactory Tender or Quotation has been received;
 - (b) relates to the hiring of performance artists (and the Council's existing rules for selecting artists has been complied with);
 - (c) relates to Goods, Services or Works which are required urgently as a consequence of an emergency or some other unforeseen event or circumstance.

DRAFT

ASSESSMENT OF PROCUREMENT RISKS

In order to identify whether your low/medium value project is a high risk one that requires the Lead Officer to take the additional steps identified below when planning a procurement, please decide whether any of the risks listed in column 1 apply to your contract. If they do, please take the additional steps identified in column 3

Type of risk	Does this risk apply to your procurement Yes/No (please indicate)	Additional requirements
Your contract is likely to involve the transfer under TUPE of staff into or out of the Council or between contractors.		Contact Legal, Procurement and HR at the first stages of project planning to ensure appropriate technical input from the outset. Ensure that clear information about TUPE is included in all your procurement documents starting with the advertisement/OJEU notice.
You are proposing a collaborative or shared procurement/contract		Contact Legal and Procurement at the outset of the project for advice about: <ul style="list-style-type: none"> • The need for a memorandum of understanding between the collaborating parties; • The type of procurement to be undertaken – whether a Framework contract or not. • Which authority is leading and providing the legal support for the project. Notify your Director of the proposed collaboration
Your contract involves the leasing or		Contact Legal, Procurement and VAT officer at the outset of the

Type of risk	Does this risk apply to your procurement Yes/No (please indicate)	Additional requirements
sale/transfer of the Council's capital assets to the contractor eg leasing office space, transferring vehicles, equipment		project
The contract requires the contractor to use a sub-contractor nominated by the Council		Contact Legal and Procurement at the outset of the project. Nominating sub-contractors should be avoided if at all possible
Your contract is a construction contract or a contract for construction related services eg architecture.		<p>Contact Legal. Do not use the Council's standard terms and conditions for these contracts. Unless the Head of Legal agrees, these contracts may not be completed by the Lead officer, Head of Service or Director.</p> <p>Construction and some construction-related contracts need to be under seal rather than signed. Only the Head of Legal Services can complete contracts under seal.</p>
The contractor will be holding the Council's money		<p>Contact Legal, Finance and Procurement. If at all possible the Council should avoid situations where a contractor holds money for the Council (eg for the sale of on-line tickets/collection of payments from Council tenants etc). If this is unavoidable you will need advice about how to safeguard the Council's position effectively.</p> <p>Notify your Director about the proposed procurement.</p>
Your contract is to be funded from external sources including grant money.		<p>Contact Legal and Procurement. You will need to ensure that your procurement/payment provisions/contract conditions/contract management fulfils any grant conditions. Failure to fulfil the grant conditions could lead to funding being withdrawn.</p>
Your contract will involve the Council being responsible for another body's		Eg some types of collaborative projects. Contact Legal, Procurement and Finance for advice at the outset of the project.

Type of risk	Does this risk apply to your procurement Yes/No (please indicate)	Additional requirements
money.		Notify your Director about the proposed procurement.
<p>Your contract is for services that are politically sensitive or contentious where the failure/default of the contractor would lead to the Council's public facing services being compromised/serious adverse publicity</p>		<p>Discuss with the Director (or officer to whom responsibility has been delegated) whether the decision to procure should be referred to the Executive Councillor (with or without pre-scrutiny) rather than taken at an officer level.</p> <p>Contact Procurement/Legal/Finance. If the contract is for a critical service where failure could jeopardise the delivery of public facing services extra safeguards will need to be incorporated in the procurement including:</p> <ul style="list-style-type: none"> • Stringent financial stability checks • Requiring Bonds and/or Parent Company Guarantees (if applicable) • Carefully drafted default and termination provisions in the contract • Clear requirements for regular management information reports • Clear contract management and monitoring regime
The contract is for a new or innovative service/initiative that the Council has not provided before		Contact Legal at the outset of the project to ensure that the Council has the power to act in the way you propose
The contract services need to start before the contract documents have been agreed and or completed.		This will be in <u>exceptional cases only</u> and you will need to contact the Head of Legal Services for permission before any services start in these circumstances. Legal will decide whether a Letter of Intent or similar is required to cover the pre-contract completion period.
The contract is likely to be company that		Contact Legal as early as possible to let them know that these

Type of risk	Does this risk apply to your procurement Yes/No (please indicate)	Additional requirements
is not registered in the UK or will be guaranteed by a company that is not registered in the UK guarantor		circumstances are likely.
You or the Contractor are proposing that the contractor's own terms and conditions are used.		Contact Legal at the outset of the project. In some circumstances eg contracting with a Bank, the use of the contractor's terms and conditions is unavoidable and you just need to be aware of the impact of the contract terms
Your contract may involve particular issues with confidentiality, data protection, intellectual property rights or software, or the contractor is likely to need access to the Council's computer server or web sites.		Contact IT Client services and Legal at the outset of the project
The contract value will exceed the EU procurement thresholds.		Contact Legal and Procurement at the outset of the project. In some cases it may be possible to use an existing (EU compliant) framework agreement rather than run an entirely new procurement but that will have to reviewed properly as part of options analysis work.
You intend to make use of an existing Framework Agreement for the first time		Consult Legal and Procurement at the outset of the project. Where use of a Framework Agreement is validated, repeat uses will generally not need to be referred back to Legal or Procurement.
You intend to contract with a supplier who has a known previously poor performance/ delivery track record		Consult Legal and Procurement at the outset of the project. There may be occasions where this situation is unavoidable and the commercial/ contract approach will need to seek to minimise risk of delivery/ service failure. Notify your Director about the proposed procurement.

Cambridge City Council Equality Impact Assessment



Completing an Equality Impact Assessment will help you to think about what impact your strategy, policy, plan, project, contract or major change to your service may have on people that live in, work in or visit Cambridge, as well as on City Council staff.

The template is easy to use. You do not need to have specialist equalities knowledge to complete it. It asks you to make judgements based on evidence and experience. There are guidance notes on the intranet to help you. You can also get advice from David Kidston, Strategy and Partnerships Manager on 01223 457043 or email david.kidston@cambridge.gov.uk or from any member of the Joint Equalities Group.

1. Title of strategy, policy, plan, project, contract or major change to your service:

CONTRACT PROCEDURE RULES - PART 4G OF THE CONSTITUTION

2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

The Rules set out the framework for the conduct of procurement within the Authority

3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

Residents

Visitors

Staff

A specific client group or groups (please state):
Organisations that bid, or want to bid, for Council contracts

4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

New

Revised

Existing

5. Responsible directorate and service

Directorate: Resources

Service: Strategic Procurement

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

No

Yes (please give details):

Procurement is undertaken by all departments and services and the Rules will therefore apply to and be implemented by all parts of the Authority. External organisations that bid for our contracts will have to do so in compliance with our Rules and they are therefore affected by the regime that is put in place.

A fundamental requirement of procurement processes is that all potential bidders are treated equally.

7. Potential impact

Please list and explain how this strategy, policy, plan, project, contract or major change to your service could **positively** or **negatively** affect individuals from the following equalities groups.

When answering this question, please think about:

- The results of relevant consultation that you or others have completed (for example with residents, people that work in or visit Cambridge, service users, staff or partner organisations).
- Complaints information.
- Performance information.
- Information about people using your service (for example whether people from certain equalities groups use the service more or less than others).
- Inspection results.
- Comparisons with other organisations.
- The implementation of your piece of work (don't just assess what you think the impact will be after you have completed your work, but also think about what steps you might have to take to make sure that the implementation of your work does not negatively impact on people from a particular equality group).
- The relevant premises involved.
- Your communications.
- National research (local information is not always available, particularly for some equalities groups, so use national research to provide evidence for your conclusions).

(a) Age (any group of people of a particular age, including younger and older people)

The Rules will not have any positive or negative impact on any particular age group.

(b) Disability (including people with a physical impairment, sensory impairment, learning disability, mental health problem or other condition which has an impact on their daily life)

The Rules will not have any positive or negative impact on any particular disability group.

(c) Gender

The Rules will not have any positive or negative impact on any particular gender group

(d) Pregnancy and maternity

The Rules will not have any positive or negative impact on any applicants that are pregnant or who have children

(e) Transgender (including gender re-assignment)

The Rules will not have any positive or negative impact on any particular transgender group.

(f) Marriage and Civil Partnership

The Rules will not have any positive or negative impact in terms of marriage or civil partnerships

(g) Race or Ethnicity

The Rules will not have any positive or negative impact on any particular racial or ethnic group.

(h) Religion or Belief

The Rules will not have any positive or negative impact on any particular religion or belief group

(i) Sexual Orientation

The Rules will not have any positive or negative impact in terms of the sexual orientation of any bidder or potential bidder for Council contracts

(j) Other factor that may lead to inequality (please state):

We consider that the extension of the requirement to advertise opportunities to apply for Council contracts and the requirement to include at least one locally based supplier on lists of suppliers to be invited to submit quotations will increase opportunities for SME and local companies which in the past have complained about the difficulty of accessing local work. The next stage in this project - to review the detail of the processes and to simplify the template documents (especially for lower value and low risk work)- will, we expect, further increase access to Council opportunities.

8. If you have any additional comments please add them here

9. Conclusions and Next Steps

- If you have not identified any negative impacts, please sign off this form.
- If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

All completed Equality Impact Assessments must be emailed to David Kidston, Strategy and Partnerships Manager, who will arrange for it to be published on the City Council's website. Email david.kidston@cambridge.gov.uk

10. Sign off

Name and job title of assessment lead officer: Deborah Quincey, Strategic Procurement Adviser

Names and job titles of other assessment team members and people consulted:

Paul Necus, Head of Specialist Service

Steve Crabtree, Head of Internal Audit

Alka Kingham Contracts solicitor

Cambridge Chamber of Commerce - Policy Team

David Horspool, Director of Resources

Date of completion: 17th June 2013

Date of next review of the assessment: June 2015

Action Plan

Equality Impact Assessment title:

Date of completion:

Equality Group	Age
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Disability
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Gender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Pregnancy and Maternity
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Transgender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Other factors that may lead to inequality	
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

This page is intentionally left blank

CIVIC AFFAIRS26 June 2013
(6.00-9.00pm)

Present: Councillors Rosenstiel (Chair), Cantrill (Vice-Chair), Ashton, Herbert, Johnson and Pitt

FOR ADOPTION BY THE COUNCIL**CIV/42/13 Update On Actions To Address Issues Emerging From The Budget Forecasting Error**

The Chief Executive introduced the report. The Committee welcomed the proposals to change the approach for the MTS process and member scrutiny by Strategy & Resources Scrutiny Committee on 30 September. Members explicitly requested the mid-year financial review should also cover financial performance for the first quarter of 2013/14, reporting in-year variances and in-year specific issues. There was general agreement of the need to make the report understandable so that it could be a useful tool for Members in performing their duties.

Cllr Herbert requested further information at a later stage on the structure of the Budget Setting Report.

With regard to the recommendation on designating a new Head of Finance post as Section 151 Officer, the Chief Executive highlighted to the Committee that this proposal would be a departure from CIPFA guidelines (para 4.3/4.6) and reference would need to be made in future Annual Governance Statements.

Cllr Herbert stated that the word 'endorse' in the recommendation was presumptuous as the Chief Executive's report to the Leader and the Strategy and Resources Scrutiny Committee on a restructure of senior management in the Resources Department had only just been published and therefore this committee did not have the detail before it. The Committee agreed to a more appropriate resolution by removing 'endorse' with 'raises no concerns about'.

Council is recommended -

- (i) That the Budget Setting Report should be the place where the Council sets out its medium term financial strategy in future years, rather than being produced as a separate Medium Term Strategy document.
- (ii) That the Council undertakes a Mid-Year Financial Review in its autumn cycle comprising the following core elements:
 - a) To consider the implications of year-end actuals on both revenue and capital expenditure going forward and level of reserves and first quarter performance against agreed budget
 - b) To consider any implications from the Annual Statement
 - c) To reflect any changes from the Government's Budget and Spending Review Announcements
 - d) To test underlying assumptions about inflation and interest rates in the light of latest information and conditions
 - e) To review forecasts on retained business rate and Council Tax in light of actual growth and latest projections
 - f) To consider what impact all of the above have on reserves and future savings targets
- (iii) That the proposed Mid-Year Financial Review document should be considered by Strategy & Resources Scrutiny Committee before the Leader makes a recommendation to Council.
- (iv) To delegate authority to the Chief Executive to amend the Council's Constitution to reflect these new arrangements.

The meeting ended at 9.00pm

CHAIR

CAMBRIDGE CITY COUNCIL

REPORT OF: Chief Executive

TO: Civic Affairs Committee

26/06/2013

WARDS: All

UPDATE ON ACTION PLAN TO ADDRESS ISSUES EMERGING FROM BUDGET FORECASTING ERROR

1 INTRODUCTION

- 1.1 Civic Affairs Committee considered a report on 17 April 2013 regarding actions that were being taken in response to Ernst & Young's review of errors discovered in financial modelling in respect of the 2012/13 budget. One of these actions was to report back on possible improvements to future processes and this report suggests changes to the Council's processes in relation to the Medium Term Strategy (MTS) and its scrutiny.
- 1.2 The report asks the Committee to support the principle of amending the constitution to invest the role of Section 151 officer in a new post of Head of Finance should the Leader of the Council decide to recommend this to Council.
- 1.3 The report also updates the Committee on the progress with other actions in the action plan.

2. RECOMMENDATIONS

Civic Affairs Committee is asked to recommend to Council:

- 2.1 That the Budget Setting Report should be the place where the Council sets out its medium term financial strategy in future years, rather than being produced as a separate Medium Term Strategy document.
- 2.2 That the Council undertakes a Mid-Year Financial Review in its autumn cycle comprising the following core elements:
 - a) To consider the implications of year-end actuals on both revenue and capital expenditure going forward and level of reserves
 - b) To consider any implications from the Annual Statement
 - c) To reflect any changes from the Government's Budget and Spending Review Announcements

- d) To test underlying assumptions about inflation and interest rates in the light of latest information and conditions
 - e) To review forecasts on retained business rate and Council Tax in light of actual growth and latest projections
 - f) To consider what impact all of the above have on reserves and future savings targets
- 2.3 That the proposed Mid-Year Financial Review document should be considered by Strategy & Resources Scrutiny Committee before the Leader makes a recommendation to Council.
- 2.4 To delegate authority to the Chief Executive to amend the Council's Constitution to reflect these new arrangements.

The Committee is asked to resolve:

- 2.5 That, subject to more detailed consideration by the Council, following the Chief Executive's report to the Leader and Strategy & Resources Scrutiny Committee, it endorses the proposal to designate a new Head of Finance post as Section 151 Officer.

3. **PROPOSED CHANGES TO MTS PROCESS**

- 3.1 I reported to the last meeting on actions that were being taken to address the issues raised in Ernst & Young's review of the errors discovered in financial modelling in respect of the 2012/13 budget. One of these actions was make recommendations to Civic Affairs to streamline and simplify the council's financial decision making processes and to report back on possible improvements to future processes.
- 3.2 The officer work to date has focused on changes to the MTS process, as the Council needs to make decisions on this issue now, to enable planning for this year's autumn cycle. I will report back to Civic Affairs in September on any changes proposed to the budget setting process.
- 3.3 The Council has produced a detailed Medium Term Strategy over the summer for reporting to the autumn Council meeting for a number of years. The document currently fulfils two functions:
1. An opportunity to take a long-term view of the Council's finance – which has been done over a 25 year model for a number of years.
 2. An opportunity to review assumptions made in the previous February's Budget Setting Report (BSR) to see whether any of those assumptions need changing as we begin preparations for the next year's budget.
- 3.4 With regard to the first function, there is no requirement to take a long term look at this particular time of the year and many councils simply incorporate their long term financial planning as part of their final budget setting report. Experience in

recent years has shown that most Government announcements happen so late in the budget setting process that the Executive has needed to make material revisions to long term assumptions anyway, as part of the BSR in the following February. So, in this sense, there is limited advantage in taking a detailed long-term view in the autumn as a separate process.

- 3.5 The second function is more critical in terms of timing. The document provides an opportunity to review assumptions made in the previous February's BSR and to see whether any of those assumptions need changing as we begin preparations for the future year's budget. The timing is important as it allows the Council to review the impact of year-end outturn for the previous year and the implications these may have for future plans. It also allows adjustment to budgets as a result of the revised priorities of any new administration following the May election.
- 3.6 Having some form of financial review in the autumn allows the Council to do a number of things:
- a) To consider the implications of year-end actuals on both revenue and capital expenditure going forward and level of reserves
 - b) To consider any implications from the Annual Statement, particularly relevant if there is a change in Council administration in any year
 - c) To reflect any changes from the Government's Budget and Spending Review Announcements
 - d) To test underlying assumptions about inflation and interest rates in the light of latest information and conditions
 - e) To review forecasts on retained business rate and Council Tax in light of actual growth and latest projections
 - f) To consider what impact all of the above have on reserves and future savings targets
- 3.7 The list above is the key content that it makes sense for the Council to consider in early autumn.
- 3.8 A significant amount of resource in the finance team and the council more widely, goes into producing a detailed MTS in addition to the BSR. It is proposed in future that the BSR should be the place where the Council sets out its medium term financial strategy, as well as detailed budget and Council Tax proposals for the following year. The current MTS would be replaced by a much shorter Mid-Year Financial Review document which would fulfil the core functions of the current MTS (as laid out in para 3.6 above) namely reviewing assumptions made in the BSR and updating assumptions if any such updating is required in the lead into the budget setting round. Removing the long-term strategic elements from the mid-year document (rather than duplicating that which will still appear in the BSR) will not only release officer capacity but also provide members with a more concise and focused document which will facilitate more thorough scrutiny.
- 3.9 At the meeting in April, Civic Affairs raised the issue of how the MTS was scrutinised before it was put before Council for approval. In recent years the MTS

has been considered by the Executive without Scrutiny Committee review. Members expressed the view that formal scrutiny of the MTS by a scrutiny committee was desirable.

- 3.10 It is proposed that a Mid-Year Financial Review document should be considered at a special meeting of Strategy & Resources Scrutiny Committee before the Leader makes a recommendation to Council. In 2013 this would be timetabled to replace the scheduled Executive meeting on 29 September.
- 3.11 If approved the Constitution will need updating to reflect these proposals.

4. CONSULTATION ON CHANGES TO THE ROLE OF S151 OFFICER

- 4.1 I reported to the last meeting that I intended to consult on changes to the structure of the Resources department to separate the role of the Section 151 officer from the post of Director of Resources. I will be making detailed proposals on this to the Leader which would be considered at Strategy & Resources Scrutiny Committee in July, before formal consideration by Council on 19 July.
- 4.2 In summary, having considered the consultation responses, I intend to pursue this proposal. I will propose that a new Head of Finance post should be created to fulfil the role of section 151 officer. This will have implications for the current posts of Director of Resources and Head of Accountancy and Support Services.
- 4.3 I will report in more detail on the consultation responses in my Strategy & Resources report but would highlight two issues that have been raised which are of particular relevance to this committee.

1. A number of respondents commented that CIPFA's guidance on the role of the Section 151 Officer requires that not only should the post holder be professionally qualified, but they should also report directly to the Chief Executive, and be a member of the Leadership Team with a status at least equal to other members

This is CIPFA's guidance and reflects a more traditional model of council structure. But it is non-statutory guidance and a number of councils have their section 151 officer reporting to a Director and not reporting in line management terms directly to the Chief Executive. This includes Southend and Luton, which are unitary authorities, Surrey County Council and Oxford City Council. It is now also common to see shared Section 151 officers across more than one council and these types of arrangements are not reflected at all in the CIPFA guidance.

It is my proposal that the Head of Finance should be a full member of the Strategic Leadership Team. I would also expect them to report directly to me on financial matters, as the Head of Legal Services does in his Monitoring Officer role or the Head of Internal Audit does in his role. This does not mean that I need to have line management responsibility for the post or the whole of the finance service.

2. It was also suggested that CIPFA guidance states that the Head of Internal Audit should report to the Chief Financial Officer.

In fact the guidance states that the Chief Financial Officer should ensure 'that the authority has put in place effective arrangements for Internal Audit...' and

‘implement appropriate measures to prevent and detect fraud’. This does not require the direct management of the function by the officer to ensure this. The CIPFA statement on the role of the Head of Internal Audit suggests that the post should report to a member of the management team and is not specific about which this should be. It could be argued that there is in fact more independence if they are not managed directly by the s151 officer, whose systems they are assuring.

4.4 The CIPFA guidance also says

"There is a growing trend for CFOs to hold a range of different responsibilities beyond finance, including managing other services or leading change programmes. Whilst these can develop the individual as a corporate manager, authorities must not let the CFO's core financial responsibilities be compromised through creating too wide a portfolio."

I believe my proposals address this concern directly.

4.5 I have discussed the proposed structure with our External Auditor and he is satisfied that my proposals address his comments.

4.6 If agreed, the proposed structure will depart from the CIPFA guidelines outlined above and CIPFA suggests this departure should be noted in our annual governance statement.

4.6 Civic Affairs is asked that, subject to more detailed consideration by the Council, following the Chief Executive's report to the Leader and Strategy & Resources Scrutiny Committee, it endorses the proposal to designate the new Head of Finance post as Section 151 Officer.

4.7 If the recommendations are approved then changes will be needed to the Constitution to reallocate delegations currently held by the Director of Resources in the role of S151 Officer. Council will be asked to delegate authority to the Chief Executive to amend the Council's Scheme of Delegation to reflect the new structure.

5. UPDATE ON OTHER ACTIONS

	Action	Who	Update
1.	Internal Audit will work with the Finance team to make improvements to the control and supervision in the service and to address recommendations 1, 2 and 4.	Head of Internal Audit Head of Accounting Services	Some changes to the control environment have been implemented. Internal Audit will continue to work with the service to address any further changes in controls that may be required to reflect proposed changes to the council's decision making processes. They will also be checking that agreed controls are being used.

2.	The financial model will be reviewed to ensure it is fit for purpose in accordance with recommendation 6 and decisions made on whether to make changes and improvements to the existing model or to procure a new one.	Head of Accounting Services DOR	A review of systems used in a number of other local authorities has been completed. A demonstration has been arranged of a proprietary alternative which appears to be the only suitable one available that links to Oracle Financials (the Council's financial system). A decision on whether this is the best way forward is on target to be made by end of July.
3.	Any recommendations from external audit as part of their annual audit work will also be incorporated into improved process.	External Audit	These will be picked up during the year as part of the Council's work with external audit.
4.	<p>In accordance with recommendations 3 and 5, systems within the finance team will be reviewed</p> <ol style="list-style-type: none"> 1. to ensure that there are clear processes in place to capture information and knowledge in case of staff absence 2. to ensure there are clear escalation polices and processes for problems with the service <p>All staff in the team will be provided with copies of these policies and processes and any necessary training will be provided.</p> <p>Managers tasked with ensuring these are effectively embedded in the culture and practice of the service.</p>	Head of Accounting Services (supported by Head of HR)	<ol style="list-style-type: none"> 1. Completed 2. Initial draft agreed and being checked against good practice elsewhere. <p>In progress</p> <p>This is being reinforced through team meetings. It will also be reinforced through the Council's performance review system.</p>
5.	Appropriate actions are being taken in accordance with council's HR policies.	CEX	Completed

6.	CEX to consult on changes to the structure of the Resources department to separate the role of Section 151 officer from the role of Director of Resources.	CEX	Consultation closed on 5 June 2013. Outcomes to be reported to Strategy & Resources Scrutiny Committee and Council in July 2013.
7.	Implementation of agreed changes.	CEX	This will be dependent on decisions made by full Council.
8.	Make recommendations to Civic Affairs Committee to streamline and simplify the council's financial decision making processes. The aim will be to balance the need to free up capacity and make efficient use of the organisational resources available, with the need to give members clear and transparent oversight of the council's finances.	CEX	Recommendations in relation to the MTS process are covered in this report. There will be a further report in September on the BSR process.

6. IMPLICATIONS

(a) Financial Implications

Financial implications will be reported to Strategy & Resources Scrutiny Committee.

(b) Staffing Implications

As described in 4.2.

(c) Equal Opportunities Implications

There are no direct equal opportunities implications.

(d) Environmental Implications

The proposals have no climate change impact.

(e) Consultations

The consultation document on structure was sent to all staff in Accountancy and Support Services, all Directors and Head of Service and all Councillors. I also consulted with our External Auditor.

7. BACKGROUND PAPERS:

The following are the background papers that were used in the preparation of this report:

Consultation responses

CIPFA Guidance on the role of the Chief Financial Officer and the Head of Internal Audit.

The author and contact officer for queries on the report is Antoinette Jackson on extension 7001.

Report file:

Date originated: 24 June 2013

Date of last revision: 24 June 2013