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Cambridge City Council

CIVIC AFFAIRS

To: **Committee Members:** Councillors McPherson (Chair), Benstead (Vice-Chair), Cantrill, Pitt, Hart and Robertson

Alternates: Councillors Bick and Moghadas

Despatched: Tuesday, 9 September 2014

Date: Wednesday, 17 September 2014

Time: 6.00 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Glenn Burgess

Direct Dial: 01223 457013

AGENDA

1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING

To approve the minutes of the meetings held on 2 June 2014 and 15 July 2014.

To follow

3 DECLARATIONS OF INTEREST

Members are asked to declare at this stage any interests that they may have in any of the following items on the agenda. If any member is unsure whether or not they should declare an interest on a particular matter, they are requested to seek advice from the Head of Legal Services before the meeting.

4 PUBLIC QUESTIONS

5 IMPLEMENTATION OF INTERNAL AUDIT AGREED ACTIONS (*Pages 7 - 12*)

6 STATEMENT OF ACCOUNTS 2013/14 (*Pages 13 - 174*)

- 7 ANNUAL COMPLAINTS REPORT** *(Pages 175 - 208)*

- 8 CONSTITUTION-CHANGES TO COMPLY WITH LEGISLATION ON
RECORDING OFFICER DECISIONS AND RECORDING MEETINGS**
(Pages 209 - 238)

Information for the Public

Location The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

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Most meetings have an opportunity for members of the public to ask questions or make statements.

To ask a question or make a statement please notify the Committee Manager (details listed on the front of the agenda) prior to the deadline.

- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

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CAMBRIDGE CITY COUNCIL

REPORT OF: Director of Business Transformation

TO: Civic Affairs Committee

17 September 2014

WARDS: All

IMPLEMENTATION OF AGREED INTERNAL AUDIT ACTIONS

1 INTRODUCTION

- 1.1 At its last meeting in June 2014, Members of Civic Affairs Committee expressed concern at the high number of overdue Internal Audit actions, particularly those that dated back to previous years' audit reports. Members resolved that a further report on the outstanding and overdue actions be brought back to a future meeting including:
- steps proposed to resolve
 - target dates
 - senior officer accountability

The purpose of this report is therefore to provide Members with an up to date position on overdue Internal Audit actions.

- 1.2 Internal Audit reports include management action plans to address weaknesses in control identified during an audit. The effective implementation of these action plans, within timescales determined by management, is essential to ensure that risks are managed effectively.
- 1.3 All agreed Internal Audit actions are recorded on the Council's risk register and are monitored for implementation by the Strategic Leadership Team on a half yearly basis. Quarterly reports on outstanding actions are also issued to all Directors.
- 1.4 In addition, Internal Audit currently undertakes follow-up audits on those areas that originally received a 'limited' or 'no' assurance rating, to ensure that progress has been made with agreed actions.

2 RECOMMENDATIONS

- 2.1 That Members of Civic Affairs Committee note progress made on implementation of Internal Audit agreed actions.

3 PREVIOUS REPORTS TO COMMITTEE

- 3.1 As part of this committee's forward plan, each year Internal Audit produces an Annual Opinion based on the work of the section. Incorporated into this report are details of agreed actions, together with their current status. This was last submitted to this committee in June 2014 when the summary position was as detailed in the table below:

Table 1 – June 2014 Position

	ANALYSIS OF ACTIONS				
Year	Agreed	Implemented	Completion Date Not Due	Cancelled	Overdue Actions
2011/12	288	236	8	28	16
2012 / 2013	140	107	4	4	25
2013 / 2014	57	11	12	0	34

4 PROGRESS SINCE HEAD OF INTERNAL AUDIT OPINION

- 4.1 As can be seen from the figures in the table below, there has been a significant reduction in the number of overdue actions since we last reported to this committee in June 2014. As at 31 August 2014 there are just **18** overdue actions in total, compared to 59 overdue actions just relating to 2012/13 and 2013/14 audit reports in June 2014, 75 in total. A concerted effort has been made by the vast majority of managers to address their overdue actions and Internal Audit are continuing to work closely with managers to address the remaining overdue actions.

Table 2: 31 August 2014 Position

	ANALYSIS OF ACTIONS				
Year	Agreed	Implemented	Completion Date Not Due	Cancelled	Overdue Action
Pre 2012/13	288	245	6	28	9
2012/2013	140	125	8	4	3
2013/2014	67	42	19	0	6
Total	495	412	33	32	18

- 4.2 In some cases, due dates have been extended following agreement with Internal Audit, hence there are still a number of actions from pre-2012/13 audit reports whose completion dates are not yet due. It has, however, been made clear to Directors that going forward, we wish to keep this to a minimum and therefore managers have been reminded of the need to identify realistic and achievable target dates at the time the Internal Audit report is agreed.

- 4.3 The **18** overdue actions are broken down across service areas/directorates as follows:

Department	Total
Business Transformation - ICT	1
Chief Executive - Corporate Strategy	1
Customer and Community Services - Community Development - Estates and Facilities	2 3
Environment - Refuse and Environment - Specialist Services - Streets and Open Spaces - Directorate	4 1 4 2
Total	18

BUSINESS TRANSFORMATION			
Area	No.	Due Date	Commentary
Access provision to partners	1	31/01/2014	High action - Partially complete – work on-going to complete action in full.
Total	1		

CHIEF EXECUTIVE			
Area	No.	Due Date	Commentary
Elections – Individual Electoral Registration (IER) Project	1	31/08/2014	1 Low action – recent audit action. Under discussion with management re: way forward with this action.
Total	1		

CUSTOMER AND COMMUNITY SERVICES			
Area	No.	Due Date	Commentary
Corporate procedures required for physical intervention	1	31/01/2013	Low action - Work has been ongoing to address this issue in conjunction with CEX and HR.
Capture / monitor efficiency targets in relation to water usage	1	10/02/2012	High action – action to be re-assigned as officer has now left authority.
Property security	1	30/09/2013	High action – action to be re-assigned as officer has now left authority.

Fire Safety Management	1	14/04/2012	High action – Protocol discussed verbally, but needs formalising in conjunction with other relevant Heads of Service.
Accounting for funding to voluntary organisations	1	31/12/2013	Low action – One of a number of actions re: grants to voluntary groups, the majority of which have been fully implemented.
Total	5		

ENVIRONMENT			
Area	No.	Due Date	Commentary
Business Support	1	30/04/2014	Low action
Trade waste analysis and reporting	3	31/07/2014	3 High actions – Follow-up audit due in 2014/15. Ongoing work is being done to address these actions.
Trade Waste - Cross-skilling guidelines and procedural notes	1	30/04/2014	Medium action – Recently re-assigned to new post-holder who is currently checking position with this action.
Project Post-Implementation Reviews (PIRs) to be undertaken for all schemes	1	31/07/2014	High action – recent audit action.
Management of tree stock and tree management programme	2	31/07/2014	2 High actions – recent audit actions.
Programmed schedule of works for public conveniences	1	31/12/2013	Medium action
Improving processes within Ranger Data Collection	2	31/03/2014	2 Low actions
Total	11		

To summarise, there are no critical, 10 high, 2 medium and 6 low category overdue Internal Audit actions.

5. EXPOSURE TO RISK

- 5.1 Internal Audit will continue to work with all Heads of Service and Directors to ensure steps are being taken to manage the identified risks and implement actions. The updated position including any significant implications for the control environment will continue to be provided to Civic Affairs Committee as part of established reporting arrangements during 2014/15.

6. CONSULTATIONS

- 6.1 Directors and Heads of Service have been consulted on the need to review and update their Internal Audit actions and Internal Audit have been working closely with managers over the last few months to address their actions. In the majority of cases, where actions are still outstanding, work is ongoing by management to address these. In a small number of cases, it may be that the action is in fact complete, but this has not been updated on the risk register.
- 6.2 Going forward, we plan to take a more pro-active approach in identifying overdue IA actions, particularly those which are classified as high or critical, and follow these up with the managers concerned to check on progress and ensure that the risk register is updated.

7. CONCLUSION

- 7.1 Significant improvements have been made to the implementation of Internal Audit actions across all directorates. Where there has been slippage, there have in most cases been mitigating circumstances – officers have left the authority; actions have been superseded etc.

8. IMPLICATIONS

- (a) **Financial Implications**
None
- (b) **Staffing Implications**
None
- (c) **Equality and Poverty 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:

- Risk Register Report identifying all Internal Audit actions – 31st August 2014

To inspect this document contact Steve Crabtree on extension 8181.

The author and contact officer for queries on the report is Steve Crabtree on extension 8181.

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CAMBRIDGE CITY COUNCIL

REPORT OF: Head of Finance

TO: Civic Affairs Committee

17/9/2014

WARDS: None directly affected

ERNST & YOUNG EXTERNAL AUDIT CONCLUSIONS AND APPROVAL OF STATEMENT OF ACCOUNTS

1 INTRODUCTION

- 1.1 The external audit of the Statement of Accounts for 2013/14 by Ernst & Young is underway and is expected to be concluded by mid-September. Before giving their formal opinion on the accounts there is a requirement to present their audit findings and to obtain a letter of management representation signed by both the Head of Finance and a member on behalf of 'those charged with governance.' Under the Council's Constitution, this responsibility rests with the Civic Affairs Committee.
- 1.2 Ernst & Young will be at the meeting to present and discuss their audit findings.
- 1.3 The Accounts and Audit Regulations require that the accounts be approved by resolution of a committee of the Council (or the full Council) by 30 September. Under the Council's Constitution, this responsibility rests with the Civic Affairs Committee.

2. RECOMMENDATIONS

- 2.1 That the Committee receive the audit findings presented by Ernst & Young.
- 2.2 That the Statement of Accounts for the year ending 31 March 2014 be approved.

- 2.3 That the Chair of the meeting be authorised to sign the Letter of Representation and audited Statement of Accounts for the financial year ending 31 March 2014 on behalf of the Council.

3. BACKGROUND

- 3.1 Approval of the Statement of Accounts for 2013/14 by the Civic Affairs Committee and publication of those accounts is required by 30 September 2014, in line with the Accounts and Audit Regulations.
- 3.2 The Civic Affairs Committee reviewed the draft Statement of Accounts for 2013/14 on 25 June 2014. Ernst and Young have since been carrying out their audit. Changes made to the accounts since the draft was reviewed by the Committee in June are discussed in section 4 below. The revised version of the Annual Report and Statement of Accounts, incorporating these changes, is provided at Appendix A.
- 3.3 International Auditing Standard (UK and Ireland) 260 requires auditors to communicate a number of matters to those charged with governance, before issuing their audit opinion.
- 3.4 International Auditing Standard (UK and Ireland) 580 requires the auditor to have received a Letter of Representation drawn up by the Council that provides written confirmation on matters that might be relevant or significant to the statement of accounts. This letter is signed as near as possible to the date of the auditor issuing his opinion. The auditing standard requires that the letter is 'discussed and agreed by those charged with governance and signed on their behalf..... to ensure that all those charged with governance are aware of the representations on which the auditor intends to rely in expressing the auditor's opinion on those financial statements'. Ernst and Young therefore requires the Letter of Representation to be signed by the Head of Finance and by the Chair of Civic Affairs Committee. A draft of the letter is included at Appendix B.

4. CHANGES TO THE ACCOUNTS SINCE CIVIC AFFAIRS REVIEW IN JUNE

- 4.1 There have been a number of changes made to the accounts, since presentation of the draft to Civic Affairs in June 2014.

- 4.2 Prior to commencement of the audit, Officers reviewed the reporting of Council Tax and Business Rate balances. In the draft financial statements other government bodies' shares of the net business rate and council tax balances were shown gross of their share of the surplus or deficit on the relevant fund. As a result of the review the accounts were adjusted to net off balances. The impact is a reduction in both debtors and creditors of £4.9 million.
- 4.3 The external audit identified an error made in a manual creditor raised for new car park equipment. Officers have corrected this error in the statement of accounts resulting in an increase in the value of property, plant and equipment and creditors of £168k as at the 31 March 2014. This capital project is funded from earmarked reserves, so there has been a corresponding decrease in the value of these reserves as at 31 March 2014.
- 4.4 The Council continues to monitor the carrying amount of the LBI Icelandic deposits in light of current information and as a result has amended the value as at 31 March 2014 from £2.2 million to £2.0 million.
- 4.5 The Valuation Office Agency has recently notified the Council, along with other Councils affected, of the results of an appeal in respect of the valuation of telecommunications equipment for business rates purposes. The reduction in rateable value is significant and backdated to 1 April 2010 and as it provides further evidence of a condition that existed at 31 March 2014 is treated as an adjusting post balance sheet event. The provision for business rates appeals in the Collection Fund is increased by £494k.
- 4.6 This increases the Council's 40% share of the deficit from business rates for the year by £198k. This reduction in income for the Council is offset by an increase in the safety net grant payment from central government. As this government grant is reflected in the General Fund in 2013/14, but the deficit will not be paid by the General Fund until 2014/15, the grant has been appropriated to the business rates earmarked reserve as at 31 March 2014.
- 4.7 As detailed in the Movement in Reserves Statement on Page 9 of the Statement of Accounts, usable reserves now total £79.7 million at 31 March 2014. The composition of usable reserves and the changes from the draft accounts presented in June are presented below:

	Draft Accounts June 2014	Final Accounts September 2014
	£'000	£'000
General Fund Balance	(9,176)	(8,990)
Housing Revenue Account Balance	(8,880)	(8,880)
Earmarked General Fund Reserves	(23,943)	(23,973)
Earmarked HRA Reserves	(4,320)	(4,320)
Capital Receipts Reserve	(17,593)	(17,593)
Major Repairs Reserve	(4,919)	(4,919)
Capital Grants Unapplied	(11,058)	(11,058)
Total Usable Reserves	(79,889)	(79,733)

- 4.8 Further detail on the earmarked reserves can be found in Note 5 to the Statement of Accounts.
- 4.9 A number of other adjustments have been made to correct typographical errors or to disclosure notes following the external audit. These include:
- correction of the split of the surplus or deficit on the disposal of non-current assets between the General Fund and the HRA
 - amendments to the disclosures of the value of financial instruments to exclude some pension creditors included in error
 - revisions to the estimated commitments for HRA new build properties in the capital commitments disclosure note to reflect the value of land implicit in these schemes.

5. SUMMARY STATEMENT OF ACCOUNTS

- 5.1 The audited Statement of Accounts is required to follow a largely prescribed format as laid down by The Code of Practice on Local Authority Accounting in the United Kingdom.
- 5.2 A brief summary of the accounts, designed to be easier for the general public to interpret, together with the annual report has been drafted and is provided at Appendix C for information. This document will be published on the Council's website together with the full version.

6. IMPLICATIONS

- (a) **Financial Implications** Included in the report above
- (b) **Staffing Implications** None
- (c) **Equality & Poverty Implications** None
- (d) **Environmental Implications**

None. Paper copies of the Annual Report and Statement of Accounts and the Summary document will only be produced on request. Electronic versions will be available on the Council's website.

- (e) **Procurement** None
- (f) **Consultation and communication**

The full and summary accounts will be published on the Council's website. A notice advertising that the audit of the accounts has been concluded will be published in the Cambridge News and on the website.

- (g) **Community Safety** None

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

Annual Report and Statement of Accounts 2013/14

To inspect these documents contact Charity Main on extension 8152

The author and contact officer for queries on the report is Charity Main on extension 8152 .

Report file:

Date originated: 08 September 2014
Date of last revision: 08 September 2014

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ANNUAL REPORT AND STATEMENT OF ACCOUNTS

**FOR THE YEAR ENDING
31 MARCH 2014**

FOR CIVIC AFFAIRS SEPTEMBER 2014

This document is available on our website at www.cambridge.gov.uk

Cambridge City Council
Annual Report & Statement of Accounts
2013/14

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Annual Report 2013/14

Cambridge City Council continues to provide a wide range of services to people that live in, work in and visit Cambridge.

The services provided by the City Council include:

- ◆ Keeping the streets and public open spaces clean.
- ◆ Emptying refuse and recycling bins.
- ◆ Providing a range of leisure facilities, including swimming pools and community centres, and providing entertainment in the City's parks and at the Corn Exchange.
- ◆ Awarding a wide range of grants to support local organisations and community groups.
- ◆ Providing a wide range of play activities for children and young people.
- ◆ Developing a new local plan for Cambridge to guide development to 2031. Offering planning advice, progressing planning applications and making sure that new buildings and alterations are safe.
- ◆ Providing housing advice and support, and working with partners to meet peoples' housing needs.
- ◆ Acting as landlord to over 7,000 council-owned properties.
- ◆ Processing housing benefit and council tax support applications.
- ◆ Monitoring and enforcing food and drink hygiene standards, together with noise and air pollution.
- ◆ Licensing food premises, street traders and entertainment venues.
- ◆ Addressing anti-social behaviour, in partnership with the Police and other agencies.
- ◆ Managing council run car parks.
- ◆ Organising and managing elections and the electoral register.
- ◆ Council tax and business rate administration.

The City Council serves a population of about 125,500 residents in an almost entirely urban area in an otherwise mainly rural county. Cambridge is a sub-regional centre with high levels of inward travel to work and for shopping and leisure activities, which adds significantly to the day-time population. The Council provides many services that are used by people who live outside of the city as well as residents, which places additional pressure on our resources.

Annual Report

The city is at the centre of a housing growth region, with many new homes planned for sites on the southern and north-west fringes of Cambridge. The provision of good quality affordable and sustainable housing is a priority for the Council and it has set a target for developers of 40% affordable housing to be provided on all new residential sites, including the larger growth sites.

What we want to achieve

Cambridge City Council's vision guides everything we do. For 2013/14 our vision statement, which is shared with Cambridge citizens and partner organisations, was:

Vision Statement

Cambridge - where people matter

- ◆ A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing
- ◆ A city whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives
- ◆ A city where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all

Cambridge - a good place to live, learn and work

- ◆ A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities
- ◆ A city which draws inspiration from its iconic historic centre and achieves a sense of place in all of its parts with generous urban open spaces and well- designed buildings
- ◆ A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery
- ◆ A city where getting around is primarily by public transport, bike and on foot

Cambridge - caring for the planet

- ◆ A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution.

How we will achieve our vision for Cambridge

Portfolio Plans

The Executive is made up of the Leader of the Council and six Executive Councillors. Each Executive Councillor is responsible for a specific group of services, known as a portfolio, and they can make decisions about the services they are responsible for. The 2013/14 Portfolios were:

- Community Wellbeing
- Customer Services and Resources
- Environmental and Waste Services
- Housing
- Planning and Climate Change
- Public Places
- Strategy

Each Executive Councillor has a Portfolio Plan that sets out how the services they are responsible for will contribute to the achievement of the council's vision for Cambridge. The following pages outline what we achieved over the past year as a result of our 2013/14 Portfolio Plans.

Further information about the Council's performance and its priorities for 2014/15 can be found on our website at: <https://www.cambridge.gov.uk/portfolio-plans>

Community Wellbeing

During 2013/14 we:

- ◆ Carried out essential improvements to the Corn Exchange and Guildhall Halls and improved their marketing as part of the first year of a three year business plan to increase revenue from the number and type of events held.
- ◆ Awarded a new seven year leisure management contract.
- ◆ Organised activities with partners to celebrate the 150th Anniversary of the Football Association and 400th Anniversary of Parkers Piece during the Big Weekend.
- ◆ Developed the role of the Cambridge Arts Network to better coordinate and promote the city's arts and culture offer and improve opportunity for networking and support amongst arts providers and practitioners.
- ◆ Produced a new three-year plan for Sport & Physical Activity.
- ◆ Planned and coordinated multi-agency arrangements for the Tour de France: Grand Depart third leg start from Cambridge to London.
- ◆ Delivered the first year of our plan for our Children and Young People's Participation Service (ChYpPS) and delivered our income target for the service.
- ◆ Delivered our plan for the future management of the Council's community facilities and achieved our savings target for the year. Continued to promote and manage a grants programme that supports the city's community and voluntary sector.

Annual Report

- ◆ Strengthened our community engagement work across the southern fringe growth sites and started to establish new community engagement structures across the north-west Cambridge growth sites.
- ◆ Involved stakeholders and residents in the design and future management arrangements for new community facilities at Clay Farm, the University site and NIAB1 and participated actively with partners to open new facilities at Trumpington Meadows.
- ◆ Supported plans for ultra-fast broadband coverage within the city area, as a part of the “Connecting Cambridgeshire” initiative.

Customer Services and Resources Portfolio Plan

During 2013/14 we:

- ◆ Completed upgrades to 1,000 desktops in the Council, transitioned to a new ICT support provider and joined a county wide private network, enabling sharing and cost savings.
- ◆ Explored further opportunities to work in collaboration, or share services with other public sector organisations, in order to create efficiencies or improve our resilience.
- ◆ Enabled more staff to work more flexibly and efficiently, by providing appropriate support in terms of buildings, technology and working practices.
- ◆ Sought to maximise the commercial return from the development of growth sites on the southern and north-eastern fringes of the city, subject to the Council’s other objectives for these developments.
- ◆ Made preparations to improve electoral registration rates in the Cambridge City electoral area and for the implementation of Individual Electoral Registration.
- ◆ Implemented our Local Council Tax scheme as part of the government’s welfare reforms, ensuring that the most vulnerable in the city are supported.
- ◆ Supported individuals affected by welfare reforms.
- ◆ Prepared the Council’s own systems and liaised with partners, such as the Department of Work and Pensions, for the future implementation of welfare reforms.

Environment and Waste Portfolio Plan

During 2013/14 we:

- ◆ Put in place a programme of activities that increased the proportion of waste that is recycled in the city and installed additional recycling banks for textiles and small WEEE (waste, electrical and electronic equipment).
- ◆ Offered businesses incentives to use our recycling services to increase the proportion of commercial waste recycled.
- ◆ Set up a new commercial food waste collection service.

Annual Report

- ◆ Tendered for a county wide specification for a joint materials recycling facility contract.
- ◆ Delivered a programme of joint projects with partners in the RECAP Advanced Waste Partnership and targeted secondary schools on a waste prevention campaign.
- ◆ Reviewed cross-border refuse and recycling collection arrangements with South Cambridgeshire District Council to meet the needs of our new developments that straddle boundaries.
- ◆ Completed the “Cambridge Real Emissions” project with our partners to provide detailed evidence of air quality impacts of city centre transport options.
- ◆ Installed in-cab technology to our refuse trucks to improve services to our customers.

Housing Portfolio Plan

During 2013/14 we:

- ◆ Worked with developers, registered providers (housing associations) and planners to increase the city’s social and market housing stock. Over 300 new Affordable Housing dwellings were completed.
- ◆ Completed the redevelopment of Seymour Court to include the provision of 20 new homes for older people.
- ◆ Ensured that the current standard of building by registered providers is maintained in terms of size, construction and layout to at least level four of the Code for Sustainable Homes.
- ◆ Assessed the potential for the provision of additional gypsy and traveller sites as part of the development of the Local Plan, in discussion with South Cambridgeshire District Council and Cambridgeshire County Council.
- ◆ Completed our annual planned maintenance programme of works to maintain city homes to the best possible standard.
- ◆ Continued to take action against private sector landlords that do not comply with health and safety requirements or good tenant management.
- ◆ Provided housing advice to keep homelessness to a minimum and help prevent homelessness by offering early advice on alternative housing options.
- ◆ Increased the range of temporary housing available to minimise the impact on households that become homeless or threatened with homelessness.

Planning and Climate Change Portfolio Plan

During 2013/14 we:

- ◆ Took our emerging local plan through consultation and the key stages of our approach to the Community Infrastructure Levy and submitted the new local plan for examination by the Secretary of State.

Annual Report

- ◆ Took a leading role under the duty to co-operate in the delivery of the emerging strategic planning function at the sub-regional level
- ◆ Worked jointly with South Cambridgeshire District Council and Cambridgeshire County Council on the review of local plans and the County Transport Strategy.
- ◆ Implemented principles of the localism agenda relating to community engagement in the development plan process and neighbourhood planning responsibilities.
- ◆ Improved the performance and efficiency of our planning service, especially in the area of planning application processing.
- ◆ Worked closely with developers and other stakeholders to ensure that new developments are of a high design quality and environmentally sustainable and contribute positively to the character of the built and green space of the city.
- ◆ Continued to secure funding for a range of public art projects across the city.
- ◆ Adopted a tree strategy, in consultation with key stakeholders, that set out the council's overarching policy for the trees within the city and how they will be preserved for future generations.
- ◆ Took forward a joint programme with partner local authorities to deliver a Green Deal model for Cambridgeshire and secured £7.8 million in additional funding from central government.
- ◆ Continued to work with partners in the Cambridge Retrofit project towards a long-term approach for financing, monitoring and delivering energy efficiency improvements to existing properties in Cambridge.
- ◆ Delivered new transport measures and actions to improve facilities for pedestrians, cyclists and public transport users, including in the new developments in the city.
- ◆ Contributed to the review of area transport plans and proposed projects for investment, supporting the local process for bidding for new and implementing relevant funding sources.
- ◆ Put in place with our partners, additional new 20 mph zones in parts of the city.
- ◆ Delivered additional cycle parking places in accordance with our cycle parking project.

Public Places

During 2013/14 we:

- ◆ Developed a more commercial approach for our tourism service and made good progress in identifying a sustainable model of tourism that is less reliant on the Council.
- ◆ Supported the new Business Improvement District to deliver the projects set out in its business proposal.
- ◆ Developed our commemorations service to extend choices to the bereaved and made the service operate more efficiently.

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- ◆ Increased the number of street and recycling bins and dog litter bins in the city.
- ◆ Worked with the police and PCSOs to take enforcement action against dog fouling following the introduction of dog control orders.
- ◆ Introduced a rapid response team to respond to environmental emergencies outside of the city centre.
- ◆ Continued to refurbish our public toilets and look at opportunities for providing community toilets.
- ◆ Delivered developer contribution-funded public arts projects that were prioritised by the Council's Area and Scrutiny Committees.
- ◆ Introduced a revised Tree Management Protocol that aligns with the Council's Area Committee decision-making cycle.

Strategy Portfolio Plan

During 2013/14 we:

- ◆ Contributed to continuing reductions in recorded incidents of anti-social behaviour.
- ◆ Reviewed the impact of our current interventions with the street life community and developed a refreshed action plan with our partners to work with vulnerable individuals.
- ◆ Gave victims a greater say in the solutions to anti-social behaviour and low level crime by increasing our referrals to Neighbourhood Resolution Panels.
- ◆ Secured on-going resources for our Community Safety Partnership to enable continued strong inter-agency sponsorship of projects.
- ◆ Worked with the Local Enterprise Partnership and others to support sustainable growth in the Greater Cambridge economy.
- ◆ Concluded negotiations for a City Deal for the Greater Cambridge sub-region with the Government, securing up to £500 million of new funding.
- ◆ Explored the potential for generating income from council services and the feasibility of sharing services with other partners in the public sector.
- ◆ Progressed an accommodation strategy for the council and its associated savings.

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- ♦ make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the chief financial officer;
- ♦ manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- ♦ approve the Statement of Accounts.

The Chief Financial Officer's Responsibilities

The chief financial officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom.

In preparing the Statement of Accounts, the chief financial officer has:

- ♦ selected suitable accounting policies and then applied them consistently;
- ♦ made judgements and estimates that were reasonable and prudent; and
- ♦ complied with the Code of Practice.

The chief financial officer has also:

- ♦ kept proper accounting records which were up to date; and
- ♦ taken reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

I certify that the Statement of Accounts present a true and fair view of the financial position of Cambridge City Council at 31 March 2014 and its income and expenditure for the year then ended.

Caroline Ryba
Head of Finance
Date: September 2014

I confirm that the audited accounts were approved by the Civic Affairs Committee held on the 22 September 2014.

Councillor Russ McPherson
Chair of Civic Affairs
Date: September 2014

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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 2014 and up to the date of approval of the annual report and statement of accounts.

The Governance Framework

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

- ◆ The Council's Objectives, which focus the Council's efforts in achieving the vision for 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.

Annual Governance Statement

- ◆ 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 Mid-Year Financial Review, 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 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'.
- ◆ 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.

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- ◆ 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.
- ◆ 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 and the Independent Complaints Investigator who can investigate how the Council has dealt with its complaints.
- ◆ 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 new Programme Office, 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.

Annual Governance Statement

- ◆ 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.

A new Head of Finance post has been created and this post will fulfil the role of the S151 officer when the new post-holder starts in July 2014. Following the departure of the Director of Resources in February 2014, temporary financial management arrangements have been put in place whereby the S151 officer at South Cambridgeshire District Council has been covering the S151 role for the City Council on strategic financial issues, with the interim Head of Finance providing operational financial advice.

CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010) sets out some principles regarding the status of the Chief Financial Officer (also referred to as the "section 151 officer".) The statement says:

"Local authorities are required to have a suitably qualified CFO with certain defined responsibilities and powers. The governance requirements in the Statement are that the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the Leadership Team, with a status at least equivalent to other members. The Statement requires that if different organisational arrangements are adopted the reasons should be explained publicly in the authority's Annual Governance Report, together with how these deliver the same impact."

The staffing structure adopted by the Council in July 2012, and implemented from the beginning of 2014, provides for the new Head of Finance post to be the Chief Financial Officer, reporting to the Director of Business Transformation. Although this is not a director level appointment, and not a direct report to the Chief Executive, organisational arrangements are in place to ensure that the outcomes of the CIPFA governance requirements are met. Before implementation the Chief Executive discussed the proposed structure with our External Auditor. He was satisfied that her proposals addressed his comments. Whilst line management responsibility will rest with the Director of Business Transformation, the new Head of Finance will be a full member of the Council's Strategic Leadership Team and will report directly to the Chief Executive on financial matters.

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.

Individual Internal Audit reports are issued directly to the relevant Director, the Director of Resources (now the Director of Business Transformation), 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

Annual Governance Statement

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 was the Authority's Chief Financial Officer and therefore responsible for the proper administration of the authority's financial affairs up until the end of February 2014. A new Head of Finance post has been created and going forward, this post will fulfil the role of the S151 officer when the new post-holder starts in July 2014. During the interim period, between March and July 2014, the S151 officer at South Cambridgeshire District Council has been covering the S151 role for the City Council on strategic financial issues, with the interim Head of Finance providing operational financial advice.

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.

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Action Plan to Address Significant Governance Issues

1 Issue

The action plan drawn up in response to Ernst & Young's report on errors identified in the 2012-13 budget setting forecast has been implemented and new budget setting arrangements have been put in place. Internal Audit have worked with the Finance Team to review these new arrangements and have reported that they appear robust and include all stages/requirements to deliver appropriate financial control.

However, as the Council has not yet run through a full financial cycle it has not been possible to verify all of these in a 'live' environment.

Action

[Target date & Officer Responsible]

- ◆ Internal Audit to undertake further assurance work during 2014-15, as part of the audit plan, to ensure appropriate evidence is in place for all changes to financial management arrangements.

*Head of Internal Audit
31 March 2015*

Action

[Target date & Officer Responsible]

- ◆ On-going delivery of new budget/financial management arrangements to ensure necessary savings are achieved in future years.

*Head of Finance
31 March 2015*

2 Issue

The Council is undergoing significant change in the way it delivers some of its services, including the introduction of shared service arrangements in some areas of Council activity, such as the payroll service and the introduction of the City Deal. There is a risk that the Council's interests may not be protected during and after periods of transition.

Action

[Target date & Officer Responsible]

- ◆ Internal Audit to undertake a review of the governance arrangements put in place for new service delivery methods and the City Deal to ensure they are sound and protect the Council's interests and meet the Council's objectives and values.

*Head of Internal Audit
31 March 2015*

Annual Governance Statement

3 Issue

The discharge of S151 responsibilities was last audited in 2007/08. New arrangements for this have recently been put in place which mean that the authority no longer complies with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010). It would therefore be timely to review these arrangements to ensure that all S151 duties are being picked up effectively.

Action

[Target date & Officer Responsible]

- ◆ Internal Audit to undertake an independent review of the discharge of S151 responsibilities as part of the annual audit plan.

*Head of Internal Audit
31 March 2015*

4 Issue

Information Security is a key risk to the Council. A great deal of work has already been undertaken over the last year to try and address this issue, including the establishment of the Information Security Officer Group; the organisation of four Data Protection Workshops across the Council to help inform our processes; and the updating of the Data Protection Policy.

Further work needs to be done to help raise awareness across the Council amongst all staff and managers.

Action

[Target date & Officer Responsible]

- ◆ Further Data Protection training is to be commissioned for managers and key staff across the Council to meet the specific needs/gaps identified through the Data Protection workshops.

*Strategy Officer
31 March 2015*

5 Issue

In light of the changes arising from Welfare Reform and in compliance with best practice set out in the Audit Commission's report: 'Protecting the Public Purse', it would be timely to conduct an organisational review of the Council's counter-fraud delivery arrangements.

Action

[Target date & Officer Responsible]

- ◆ Undertake a corporate review of counter-fraud arrangements, not only in respect of benefit fraud but for all types of fraud.

*Head of Internal Audit and Head of Revenues & Benefits
30 September 2014*

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6 Issue

In light of the recent changes to the make up of the Council's membership, it would be timely to review the provision of training to Members.

CIPFA has recently updated its guidance on best practice for Audit Committees. With the recent changes to the membership of the Council's Audit Committee (Civic Affairs) it would again be timely to review compliance with this.

Action

[Target date & Officer Responsible]

- ◆ Review the effectiveness of arrangements in place for providing training to new (and existing) Members.

*Head of Corporate Strategy
31 March 2015*

- ◆ Review compliance with CIPFA's best practice guidance on Audit Committees.

*Head of Internal Audit
31 March 2015*

7 Issue

In order to take forward an ambitious change and business transformation agenda, new arrangements have been put in place for the management and delivery of projects.

- ◆ Review the effectiveness of the new programme office arrangements put in place to manage new projects.

*Strategic Leadership Team
31 March 2015*

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.

Councillor Lewis Herbert
Leader of the Council
Date: XX XXXXXXXX 2014

Antoinette Jackson
Chief Executive
Date: XX XXXXXXXX 2014

Introduction to the Statement of Accounts

I am pleased to introduce the Council's Statement of Accounts for 2013/14. The preceding Annual Report section of this document describes the diverse range of services provided by Cambridge City Council to its residents, local businesses and visitors and provides details of some of the key activities and achievements during the year.

The Statement of Accounts, set out on pages 11 to 106, contain a series of statements, summarising the financial implications to the Council during the year in delivering these services. In addition, details of the Council's assets and liabilities at the beginning and end of the Council's financial year are presented. The financial year ran from 1 April 2013 to 31 March 2014.

The accounts have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom' (The Code). The code is based on International Financial Reporting Standards (IFRS) and sets out the format and content of the key financial statements and accompanying notes in this publication.

The key financial statements are as follows:

- ◆ Movement in Reserves Statement
- ◆ Comprehensive Income and Expenditure Statement
- ◆ Balance Sheet
- ◆ Cash Flow Statement
- ◆ Housing Revenue Account
- ◆ Collection Fund

These accounts are supported by a comprehensive set of notes together with a statement of the accounting policies of the Council and a glossary of terms. An index to the main notes to the accounts is provided on page 18.

Once again, the accounts have been produced promptly and to the high standard expected of the Council. This would not have been possible without the hard work of the Finance Service team and other finance staff across the Council, and I would like to thank them, Directors, and service managers for their assistance in the preparation of these accounts.

Review of 2013/14

Four years on from the 2010 Spending Review, the context of public sector spending cuts is now well established and familiar to all those working across the sector. The UK economy, after a sustained period of recession grew during 2013/14, with inflation ending the year below 2% and unemployment almost at pre-financial crisis levels.

As in previous years, budgets were closely monitored during the year and revisions made, where necessary, to reflect changing circumstances. These revisions included changes to reflect Council's approval to carry forward budgets from 2012/13 to meet the costs of re-phased expenditure, additional savings identified during the year and also to provide for unavoidable additional costs.

Just as in the private sector, changes in the values of Council-owned property are reflected in the accounts each year. Further information about the valuation of assets, and how changes in their value must be accounted for, can be found in the section that details accounting policies.

Given the prevailing economic climate, reductions in funding from central government and resulting pressures on the Council's finances, it is pleasing to note that:

Introduction to the Statement of Accounts

- ◆ A programme of service reviews continues to achieve worthwhile on-going savings that will support the Council's financial position going forward. As part of the review programme, the Council has continued to explore opportunities to join forces with other local authorities to merge the commissioning and delivery of functions. Work is currently underway to set up new shared services for both the Legal and Waste Services, whilst shared service arrangements are already in place for Payroll, Choice Based Lettings Service, the management of the Internal Audit service and the provision of Home Improvement Agency services.
- ◆ Improvements were made to the Council's open spaces, sports, recreation and public art provision through a range of projects funded by developers.
- ◆ The Council continued to work closely with public sector partners to plan the provision of new services and facilities in the North West and Southern fringes of the City (where major development is taking place) including a new primary school at Trumpington Meadows and a new multi-use community centre at Clay Farm.
- ◆ The Government's welfare reforms were established during the year including the new Local Council Tax Support scheme which replaced the Council Tax Benefit subsidy scheme.
- ◆ Major investment continued to be made in the Council's housing stock. In addition to expenditure on repairs and improvements to existing dwellings we are delivering a new council house building programme and are working with planners, developers and others to increase the supply of affordable housing.

Revenue Spending and Income

General Fund Services

For 2013/14, the Council agreed a budget for net spending of £17.8 million. This sum was financed in part by government grant together with the New Homes Bonus and the Council's share of Business Rates, with the remainder being raised through Council Tax. The Council Tax for City Council services was set at £169.90 for Band D properties.

The table below compares the final outturn figures for the General Fund with those originally planned, when the budget and Council Tax for the year was agreed in February 2013.

Introduction to the Statement of Accounts

(£000s)	Original Budget	Actual	Difference
Committee			
Community Services	10,840	10,948	108
Environment	11,703	11,220	(483)
Strategy & Resources	(1,982)	(2,817)	(835)
Net Spending on Services	20,561	19,351	(1,210)
Capital Accounting Adjustments	(4,593)	(4,612)	(19)
Capital and Revenue Projects Spending Funded from Revenue	1,237	603	(634)
Contributions to non-domestic rates Earmarked Reserve	0	3,405	3,405
Contributions to Earmarked Reserves – before statutory accounting adjustments	1,294	1,235	(59)
Contributions to/(from) General Fund Reserve	(713)	995	1,708
Total	17,786	20,977	3,191
Financed by:			
Revenue Support Grant	5,609	5,639	30
New Homes Bonus (NHB)	2,117	2,117	0
Non-domestic rates – net income	3,732	6,595	2,863
Non-domestic rates – small business relief grant	0	254	254
Other Specific Grants	75	119	44
Council Tax	6,253	6,253	0
Total	17,786	20,977	3,191

Although the Council's actual net revenue spending on the provision of services was £1,210,000 less than the original budget set for the year, a variety of factors contributed to this overall position. In a number of areas there have been underspends on staff costs, for example in Internal Audit, Street Cleaning, Planning Policy and Building Control. In addition there have been increases in Income over budget, for example in the Trade Refuse and Recycling activities. Tight budgetary control, the delivery of savings from service reviews and other efficiency measures combined to largely offset unavoidable additional costs.

The total amount of capital and revenue project expenditure funded from revenue was below the original budget by £634,000 largely reflecting slippage on the timing of expenditure.

A net contribution to the General Fund Reserve of £995,000 was made for the year and, at the year-end, the reserve stood at £8,990,000. This reserve provides financial flexibility to the Council for meeting exceptional and/or unanticipated items.

Changes to the arrangements for funding of local government services came into effect from 1 April 2013 and this Statement of Accounts reflects the changes. The Local Government Finance Act 2012 introduced a business rates retention scheme that enables local authorities to retain a proportion of the business rates generated in their area. Under previous arrangements, central government as part of the local government settlement announcement each year, determined the amount of the national business rates pool that each authority would receive, and as such there was no direct link between the business rates collected by the Council and the funding we received.

Introduction to the Statement of Accounts

However from April 2013 the Council retains an element of any business rates collected above the assumed 'baseline' level, paying the reminder to central government as a 'levy'. If business rates income falls to less than 92.5% of the baseline, the Council receives a 'safety net' payment so that any loss of income below the baseline is capped at 7.5%.

Whilst there is the potential for the Council to benefit from business rates growth in the City, there is also a degree of risk in that the Council has to bear a proportion of any reduction in business rates, for example as a consequence of demolition of premises or reductions in the rateable value of existing properties (including retrospective reductions).

Given the risks in the new scheme, when the original budget was set for 2013/14, the Council adopted a prudent approach and assumed that net income under the scheme would be at the baseline level.

Under statutory regulation the amount of business rates credited to the General Fund in 2013/14 is based on an estimate, with any resulting difference being recovered from the General Fund, or paid to it in 2014/15. However any safety net or levy payments are accounted for in 2013/14. The Council agreed, as part of the February 2014 Budget Setting Report to set up an earmarked reserve to manage business rates retention and these timing differences.

At outturn the Council's share of business rates is substantially lower than the original estimate, and below the baseline funding level. This results from the need to make a much larger provision than was previously anticipated to meet the costs of refunds to business ratepayers as a consequence of successful valuation appeals. The Council's share of this provision is £3,239,000.

The Council's share of the deficit on business rates to be recovered in 2014/15 is £3,405,000. The Council has made a contribution to an earmarked reserve to fund this recovery, largely funded from the 'safety net' payment from central government of £1,570,000, a business rates related grant in respect of small business relief of £254,000 and income credited to the General Fund above the baseline assumption of £1,292,000.

Housing Revenue Account

The Housing Revenue Account (HRA) budget for 2013/14 was set based upon a revised investment strategy, to deliver a sustainable financial position over the coming 30-year period of the HRA Self-Financing Business Plan, providing for funds to be set-aside to allow the authority to redeem 25% of its debt portfolio at loan maturity, should the authority so choose, whilst facilitating significant investment in the delivery of new affordable housing.

For 2013/14 the budget was originally set with the intention of contributing £726,000 to HRA reserves, with the expectation that by the end of the financial year, reserves would be maintained at the agreed target level of £3 million. The current strategy includes a minimum level of reserves of £2 million, with a target level of £3 million, creating the ability to invest in short-term projects which are anticipated to pay back quickly.

The table below compares the final outturn figures (before statutory accounting adjustments) for the HRA as reported to Housing Management Board in June 2014, with those originally planned, when the budget and rent levels for the year were agreed in February 2013.

Introduction to the Statement of Accounts

(£000s)	Original Budget	Actual	Difference
Net Revenue Spending on Services	14,386	12,755	(1,631)
Debt Management Costs and Interest	7,494	7,500	6
Other Expenditure	672	573	(99)
Capital Accounting Adjustments	7,361	7,678	317
Direct Revenue Funding of Capital and Revenue Projects in the Housing Capital Investment Plan	7,162	6,406	(756)
Total	37,075	34,912	(2,163)
Financed by:			
Dwelling Rents and Service Charges	36,177	36,527	350
Rent (Garages, Land & Commercial Property)	1,047	1,065	18
Interest Income	105	113	8
Other Income	472	592	120
Contributions (to) / from Reserves	(726)	(3,385)	(2,659)
Total	37,075	34,912	(2,163)

During the financial year, in June 2013, approval was given to carry forward resources of £3,108,000 to fund expenditure re-phased from 2012/13. The majority of this sum, £3,085,000, was towards meeting the costs of capital investment in the housing stock. The balance was to meet costs of an issue of Open Door which was deferred from March until April 2013, to fund external support to the authority in the procurement process for Supporting People Services and delayed tree and landscaping works to housing property. This approval resulted in an anticipated use of reserves in 2013/14 of £2,383,000.

Further changes in the planned use of reserves for 2013/14 were made as part of the Council's HRA Mid-Year Financial Review and revised budget process, reducing the planned use to £1,876,000. These changes reflected reduced costs for void repairs in the housing stock, resident involvement, business overheads, debt management expenses and bad debts, increased rental income, changes in service charge income and retention of income for support services for a further year, partially offset by a reduction in income for HRA commercial property, increased gas maintenance costs, legal costs associated with the planned maintenance contract, costs associated with organisational restructure and an increase in depreciation costs for the housing stock.

The outturn position for the HRA in 2013/14, reported to the Housing Management Board in July 2014, was a net contribution to reserves of £3,383,000. Requests have been made to carry forward funding of £3,393,000 into 2014/15, reflecting re-phasing of a number of projects, but particularly recognising the deferred need to use reserves to fund capital expenditure in light of slippage in the Housing Capital Investment Programme.

HRA available reserves stood at £8,880,000 at the year-end.

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Capital Spending and Receipts

In 2013/14 the Council acquired £22,229,000 of capital assets. Of this £12,471,000 was on major repairs and improvements to council dwellings, £2,422,000 on vehicles, plant and equipment and £4,306,000 on assets in the course of construction (including £1,359,000 on the redevelopment of housing stock and £1,722,000 in respect of improvements to Parkside and Abbey Pools).

Capital receipts continue to be generated through the sale of land, council houses, shared ownership dwellings and other property. The Council received £8,795,000 in the year, of which £1,044,000 had to be paid over to central government.

External Borrowing

The Council did not need to undertake any new external borrowing during the year. The external debt of £213.7 million shown in the Balance Sheet at the end of the financial year relates to borrowing undertaken in 2011/12 to meet a one-off debt settlement payment to Central Government in relation to new Self-Financing arrangements for the Housing Revenue Account.

Pension Costs

The Council's share of the assets and liabilities of the County Pension Fund show an estimated net liability of £95.2 million at 31 March 2014. This liability has no impact on the level of the Council's available reserves.

Further information relating to the assets, liabilities, income and expenditure of the Council's pension scheme is presented in note 39 starting on page 67.

Looking ahead to 2014/15

A critical element of this Council's success in dealing with the financial challenges of the past five years has been the emphasis we have placed on forward planning. Councils have to live within their means and members and officers have produced a budget plan for 2014/15 and beyond. Significant savings are required to meet the twin pressures of reducing central government funding and increased demand for services. The UK is not yet half way through what is expected to be a decade of austerity and, despite a growing economy, a national budget deficit of approximately £50 billion will remain at the time of the next General Election in 2015. This means that cuts to public spending will continue until the end of the decade, no matter which political party is in power nationally. As part of the Government's aim to bring the UK's finances back into surplus, further spending cuts will be passed on to local government by Whitehall. Officers therefore have been carrying out a review of all council spending, developing options for how the Council could meet the financial challenge.

The "City Deal" initiative will transform the transport network around Cambridge with a government grant of up to £500 million announced in the Chancellor's Budget in March 2014. The cash is expected to be released over 15 to 20 years under the deal between Cambridge and the Government, and will be topped by up to £1 billion by local authorities using proceeds from growth. Cambridge City Council, South Cambridgeshire District Council and Cambridgeshire County Council are considering the creation of a joint authority overseeing transport and housing strategy to decide how the money is best spent. The first £100 million is expected to be released in 2015/16, and much of it is likely to be spent on new cycle links such as the 'Chisholm trail' route from Cambridge Science Park to the south of the city, and new bus lanes and bus priority measures. Two further

Introduction to the Statement of Accounts

tranches, each of £200 million, would be released if the city meets targets for economic growth, house building and reducing congestion.

Further Information

Further information about the accounts is available from:

Head of Finance
Business Transformation Department
Cambridge City Council
PO Box 700
Cambridge
CB1 0JH

In addition, interested members of the public have a right to inspect the accounts each year before the audit is completed. The availability of the accounts for public inspection is advertised in the local press and on the Council's web site.

MAIN FINANCIAL STATEMENTS

Main Financial Statements

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The '(surplus) or deficit on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The 'net (increase)/decrease before transfers to earmarked reserves' line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves.

Financial year 2013/14

(£000s)	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account Balance	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
Balance at 1 April 2013	(7,995)	(20,236)	(5,495)	(3,863)	(13,210)	(5,111)	(4,155)	(60,065)	(425,125)	(485,190)
Movement in reserves during 2013/14										
(Surplus) / deficit on the provision of services	(3,275)	0	(16,325)	0	0	0	0	(19,600)	0	(19,600)
Other comprehensive income and expenditure	0	0	0	0	0	0	0	0	(28,493)	(28,493)
Total Comprehensive income and expenditure	(3,275)	0	(16,325)	0	0	0	0	(19,600)	(28,493)	(48,093)
Adjustments between accounting basis and funding basis under regulations (Note 4)	(1,457)	0	12,483	0	(4,383)	192	(6,903)	(68)	68	0
Net (increase) / decrease before transfers to earmarked reserves	(4,732)	0	(3,842)	0	(4,383)	192	(6,903)	(19,668)	(28,425)	(48,093)
Transfers to / from earmarked reserves (Note 5)	3,737	(3,737)	457	(457)	0	0	0	0	0	0
(Increase) / decrease in 2013/14	(995)	(3,737)	(3,385)	(457)	(4,383)	192	(6,903)	(19,668)	(28,425)	(48,093)
Balance at 31 March 2014	(8,990)	(23,973)	(8,880)	(4,320)	(17,593)	(4,919)	(11,058)	(79,733)	(453,550)	(533,283)

Main Financial Statements

Financial Year 2012/13 (as restated – see Note 43)

(£000s)	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account Balance	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
Balance at 1 April 2012	(9,458)	(19,706)	(6,974)	(2,472)	(10,420)	(1,171)	(5,261)	(55,462)	(437,960)	(493,422)
Movement in reserves during 2012/13	0	0	0	0	0	0	0	0	0	0
(Surplus) / deficit on the provision of services	6,544	0	(1,365)	0	0	0	0	5,179	0	5,179
Other comprehensive income and expenditure	0	0	0	0	0	0	0	0	3,053	3,053
Total Comprehensive income and expenditure	6,544	0	(1,365)	0	0	0	0	5,179	3,053	8,232
Adjustments between accounting basis and funding basis under regulations (Note 4)	(5,611)	0	1,453	0	(2,790)	(3,940)	1,106	(9,782)	9,782	0
Net (increase) / decrease before transfers to earmarked reserves	933	0	88	0	(2,790)	(3,940)	1,106	(4,603)	12,835	8,232
Transfers to / from earmarked reserves (Note 5)	530	(530)	1,391	(1,391)	0	0	0	0	0	0
(Increase) / decrease in 2012/13	1,463	(530)	1,479	(1,391)	(2,790)	(3,940)	1,106	(4,603)	12,835	8,232
Balance at 31 March 2013	(7,995)	(20,236)	(5,495)	(3,863)	(13,210)	(5,111)	(4,155)	(60,065)	(425,125)	(485,190)

Main Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the accounting costs in the year, of providing services, in accordance with generally accepted accounting practices, rather than the amounts to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

(£000s)	Notes	2013/14			2012/13 (as restated see Note 43)		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
Central services to the public		2,422	(829)	1,593	9,008	(7,418)	1,590
Cultural and related services		15,032	(4,867)	10,165	13,607	(4,312)	9,295
Environmental and related services		13,788	(5,610)	8,178	13,742	(5,430)	8,312
Planning Services		8,287	(3,043)	5,244	8,491	(2,307)	6,184
Highways and transport services		6,894	(8,965)	(2,071)	5,409	(8,768)	(3,359)
Housing Revenue Account	3	17,381	(38,162)	(20,781)	29,088	(36,642)	(7,554)
Other housing services		43,586	(39,192)	4,394	42,448	(37,467)	4,981
Corporate and democratic core		2,818	0	2,818	2,924	0	2,924
Non distributed costs		112	0	112	(130)	0	(130)
Cost of Services		110,320	(100,668)	9,652	124,587	(102,344)	22,243
Other operating expenditure	6	1,178	(1,485)	(307)	925	(589)	336
Financing and investment income and expenditure	7	12,503	(12,331)	(14)	12,801	(11,010)	1,791
Taxation and non-specific grant income	3/8	0	(29,117)	(29,117)	0	(19,191)	(19,191)
(Surplus) / deficit on provision of services	9	124,001	(143,601)	(19,600)	138,313	(133,134)	5,179
(Surplus) / deficit on revaluation of Property, Plant and Equipment assets	3/35			(25,490)			(7,051)
Remeasurements of the net defined pension liability	39			(3,003)			10,104
Other comprehensive (income) / expenditure				(28,493)			3,053
Total comprehensive (income) / expenditure				(48,093)			8,232

Main Financial Statements

Balance Sheet

The Balance Sheet shows the value at the stated date of the Council's assets and liabilities. The net assets are matched by reserves. Reserves are reported in two categories. The first category is usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes those reserves that hold unrealised gains and losses (e.g the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

(£000s)	Notes	31 March 2014	31 March 2013 (as restated – Note 43)	1 April 2012 (as restated – Note 43)
Property, Plant and Equipment	16	643,773	613,872	618,547
Heritage Assets	19	430	430	430
Investment Property	22	118,529	114,476	111,373
Intangible Assets	23	506	472	538
Assets Held for Sale	27	0	3,354	0
Long Term Investments	25	6,128	1,734	2,190
Long Term Debtors	26	1,029	1,108	1,111
Long Term Assets		770,395	735,446	734,189
Short Term Investments	25	70,069	59,093	57,606
Assets Held for Sale	27	4,492	841	0
Inventories		274	274	239
Short Term Debtors	28	17,195	8,076	8,079
Cash and Cash Equivalents	29	6,573	7,734	4,781
Current Assets		98,603	76,018	70,705
Short Term Creditors	30	(11,682)	(10,900)	(12,434)
Receipts in Advance	31	(6,314)	(3,992)	(3,398)
Provisions	32	(3,543)	(364)	(315)
Current Liabilities		(21,539)	(15,256)	(16,147)
Long Term Borrowing	37	(213,654)	(213,654)	(213,654)
Other Long Term Liabilities	39	(95,201)	(92,967)	(78,945)
Capital Grants Receipts in Advance	33	(5,321)	(4,397)	(2,726)
Long Term Liabilities		(314,176)	(311,018)	(295,325)
Net Assets		533,283	485,190	493,422
Usable Reserves	34	(79,733)	(60,065)	(55,462)
Unusable Reserves	35	(453,550)	(425,125)	(437,960)
Total Reserves		(533,283)	(485,190)	(493,422)

These financial statements replace the unaudited statements authorised for issue on 25 June 2014

Caroline Ryba, Head of Finance

Main Financial Statements

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation, grant income and by the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities show claims that will be made on future cash flows by providers of capital (i.e. borrowing) to the Council.

(£000s)	Notes	2013/14	2012/13
Cash flows from operating activities			
Cash receipts		151,711	108,879
Cash payments		(129,808)	(93,718)
Net cash flows from operating activities	40	21,903	15,161
Net cash flows from investing activities	41	(24,883)	(8,991)
Net cash flows from financing activities	42	1,819	(3,217)
Net (decrease) / increase in cash and cash equivalents		(1,161)	2,953
Cash and cash equivalents at the beginning of the year	29	7,734	4,781
Cash and cash equivalents at the end of the year	29	6,573	7,734

NOTES TO THE MAIN FINANCIAL STATEMENTS

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Notes to the Main Financial Statements

1 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out on pages 91 to 106, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and significantly reduce levels of service provision.

2 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenditure during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. The net pension liability at 31 March 2014 is estimated to be £95.2 million and the estimated effects on the liability of changes in individual assumptions is disclosed in Note 39.

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the Council did not sustain its current spending on repairs and maintenance the useful lives currently assigned to assets may be reduced.

If the useful life of assets is reduced, depreciation increases and the carrying value of the assets fall. It is estimated that the annual depreciation charge for assets would increase by approximately £800,000 for every year that useful lives had to be reduced.

Business Rates

Since the introduction of the Business Rates Retention Scheme from 1 April 2013, local authorities are liable for successful appeals against business rates charged to businesses, both in the current financial year and earlier years, in proportion to their local share of business rates income. The Council's General Fund share of business rates income is 40%.

Notes to the Main Financial Statements

A provision has therefore been recognised for the best estimate of the amount that will be repayable in respect of years up to 31 March 2014 following successful rating valuation appeals. The Council's share of this provision is £3.2 million as disclosed in Note 32. The estimate has been calculated using the Valuation Office Agency (VOA) ratings list of appeals and historical data on successful appeals to date. It is possible that appeals will be settled at amounts which differ from the estimate made on historical experience.

3 Material Items of Income and Expenditure

The following material items of income and expenditure are included in the relevant lines of the Comprehensive Income and Expenditure Statement.

A capital grant of £7.8 million in respect of the Green Deal has been included in taxation and non-specific grant income. This grant is to facilitate energy efficiency improvements in Cambridgeshire on an area by area basis, targeting the areas that most need support, include hard to treat properties and low income and fuel poor households. The grant will be spent during 2014/15.

The Council's share of non-domestic rates income totalling £33.9 million and the tariff of £32.3 million payable to central government under the rates retention scheme have been included in taxation and non-specific grant income.

A net credit for reversal of previous revaluation losses of £6.8 million on council housing stock has been credited to expenditure within the HRA net cost of service line. The comparative figure for 2012/13 includes a net debit of £4.0 million. More detail on the movements in the value of the Council's housing stock can be found in note 16 to the main financial statements.

The surplus on revaluation of Property, Plant and Equipment includes a net £7.8 million gain (£8.5 million in 2012/13) in respect of the Council's housing stock. It also includes a £11.3 million gain in respect of the Grand Arcade car park.

Notes to the Main Financial Statements

4 Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations

The total comprehensive income and expenditure recognised by the Council in the year, is prepared in accordance with proper accounting practice. This note details the adjustments that are made to income and expenditure to reflect the resources that are specified by statute as being available to the Council to meet future capital and revenue expenditure.

Financial year 2013/14

(£000s)	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
Adjustments primarily involving the Capital Grants Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation and impairment of non-current assets	(4,658)	0	0	0	0	4,658
Net revaluation (losses)/gains on property, plant and equipment	(1,717)	6,734	0	0	0	(5,017)
Net revaluation (losses)/gains on assets held for sale	(152)	17	0	0	0	135
Movements in the market value of investment properties	3,090	756	0	0	0	(3,846)
Amortisation of intangible assets	(114)	0	0	0	0	114
Revenue expenditure funded from capital under statute and de minimis capital expenditure	(1,786)	(404)	0	0	0	2,190
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal	(230)	(7,127)	0	0	0	7,357
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement						
Private sector housing loan repayments – original loan less than £10,000	(23)	0	0	0	0	23
Capital expenditure charged against General Fund and HRA balances	2,569	6,406	0	0	0	(8,975)

Notes to the Main Financial Statements

(£000s)	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	10,829	549	0	0	(11,378)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	4,475	(4,475)
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	147	8,648	(8,795)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	3,414	0	0	(3,414)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(1,044)	0	1,044	0	0	0
Transfer to capital receipts reserve on receipt of loan payment	0	0	(31)	0	0	31
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	(15)	0	0	15
Adjustments primarily involving the Major Repairs Reserve:						
HRA depreciation	0	0	0	(10,619)	0	10,619
Reversal of Major Repairs Allowance credited to the HRA	0	(2,941)	0	2,941	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	7,870	0	(7,870)

Notes to the Main Financial Statements

(£000s)	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
Adjustments primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(41)	0	0	0	0	41
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(9,167)	(1,018)	0	0	0	10,185
Employer's pension contributions and direct payments to pensioners payable in the year	4,090	858	0	0	0	(4,948)
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax and business rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and business rates income calculated for the year in accordance with statutory requirements	(3,238)	0	0	0	0	3,238
Adjustments primarily involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(6)	(1)	0	0	0	7
Adjustments primarily involving the Housing Revenue Account:						
Amounts transferred from the Housing Revenue Account to the General fund under statutory regulation	(6)	6	0	0	0	0
Total adjustments	(1,457)	12,483	(4,383)	192	(6,903)	68

Notes to the Main Financial Statements

Financial year 2012/13 (as restated – see Note 43)

(£000s)	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
Adjustments primarily involving the Capital Grants Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation and impairment of non-current assets	(4,456)	0	0	0	0	4,456
Net revaluation losses on property, plant and equipment	119	(4,020)	0	0	0	3,901
Movements in the market value of investment properties	2,308	15	0	0	0	(2,323)
Impairment losses on assets held for sale	0	(17)	0	0	0	17
Amortisation of intangible assets	(146)	0	0	0	0	146
Revenue expenditure funded from capital under statute and de minimis capital expenditure	(2,252)	(116)	0	0	0	2,368
HRA Self-financing settlement payment funded from capital under statute	0	0	0	0	0	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal	(214)	(3,694)	0	0	0	3,908
Private sector housing loans adjustment	7	0	0	0	0	(7)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement						
Private sector housing loan repayments – original loan less than £10,000	(26)	0	0	0	0	26
Capital expenditure charged against General Fund and HRA balances	2,688	7,447	0	0	0	(10,135)

Notes to the Main Financial Statements

(£000s)	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	1,261	316	0	0	(1,577)	0
Transfer of capital contributions unapplied to the General Fund	(122)	0	0	0	122	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	2,561	(2,561)
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	4,436	(4,436)	0	0	0
Other capital receipts	0	13	(13)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	779	0	0	(779)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(908)	0	908	0	0	0
Transfer to capital receipts reserve on receipt of loan payment	0	0	(11)	0	0	11
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	(17)	0	0	17
Adjustments primarily involving the Major Repairs Reserve:						
HRA depreciation	0	0	0	(10,623)	0	10,623
Reversal of Major Repairs Allowance credited to the HRA	0	(3,259)	0	3,259	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	3,424	0	(3,424)

Notes to the Main Financial Statements

(£000s)	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
Adjustments primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	11	301	0	0	0	(312)
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(7,984)	(766)	0	0	0	8,750
Employer's pension contributions and direct payments to pensioners payable in the year	4,045	787	0	0	0	(4,832)
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	1	0	0	0	0	(1)
Adjustments primarily involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	67	0	0	0	0	(67)
Adjustments primarily involving the Housing Revenue Account:						
Amounts transferred from the Housing Revenue Account to the General fund under statutory regulation	(10)	10	0	0	0	0
Total adjustments	(5,611)	1,453	(2,790)	(3,940)	1,106	9,782

Notes to the Main Financial Statements

5 Movement in Reserves Statement – Transfers to / from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans together with the amounts of earmarked reserves used to meet General Fund and HRA expenditure in 2013/14.

(£000s)	2012/13				2013/14		Balance at 31 March 2014
	Balance at 1 April 2012	Transfers In	Transfers Out	Balance at 31 March 2013	Transfers In	Transfers Out	
General Fund:							
Asset Repair and Renewals Reserves	(13,926)	(3,122)	2,895	(14,153)	(3,363)	3,601	(13,915)
Insurance Fund	(863)	(1,155)	943	(1,075)	(754)	663	(1,166)
Technology Investment Fund	(213)	(15)	87	(141)	0	8	(133)
Development Plan Reserve	(418)	(150)	173	(395)	(317)	135	(577)
Compulsory Purchase Order Compensation Reserve	(583)	0	0	(583)	0	361	(222)
Major Planning Appeals Reserve	(23)	(84)	107	0	(428)	293	(135)
Revenue Contributions to Capital	(223)	0	45	(178)	0	42	(136)
Efficiency Fund	(484)	(200)	194	(490)	0	117	(373)
Pension Reserve	(164)	(329)	0	(493)	(493)	0	(986)
Climate Change Fund	(396)	(129)	115	(410)	(3)	66	(347)
Keep Cambridge Moving	0	0	0	0	(436)	0	(436)
Business Rates Retention	0	0	0	0	(3,405)	0	(3,405)
Other	(2,413)	(657)	752	(2,318)	(454)	630	(2,142)
Total	(19,706)	(5,841)	5,311	(20,236)	(9,653)	5,916	(23,973)
Housing Revenue Account:							
Asset Repair and Renewal Reserve	(1,988)	(286)	125	(2,149)	(338)	95	(2,392)
Shared Ownership Reserve	(300)	0	0	(300)	0	0	(300)
Other	(184)	(1,251)	21	(1,414)	(231)	17	(1,628)
Total	(2,472)	(1,537)	146	(3,863)	(569)	112	(4,320)

Notes to the Main Financial Statements

6 Comprehensive Income and Expenditure Statement – Other Operating Expenditure

(£000s)	2013/14		2012/13	
	Income	Expenditure	Income	Expenditure
Payments to the Government Housing Capital Receipts Pool	0	1,044	0	908
Impairment losses on assets held for sale	0	134	0	17
(Gains) / losses on the disposal of non-current assets	(1,485)	0	(576)	0
Other income	0	0	(13)	0
	(1,485)	1,178	(589)	925

7 Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

(£000s)	2013/14		2012/13	
	Income	Expenditure	Income	Expenditure
Interest payable and similar charges	0	7,496	0	7,496
Impairment of investments	0	(343)	0	64
Net interest on the net defined benefit liability	0	4,201	0	3,791
Gains and losses on trading (note 10)	(35)	0	0	28
Interest receivable and similar income	(710)	0	(821)	0
Income and expenditure in relation to investment properties and changes in their fair value	(11,586)	1,149	(10,189)	1,422
	(12,331)	12,503	(11,010)	12,801

8 Comprehensive Income and Expenditure Statement – Taxation and Non Specific Grant Incomes

(£000s)	2013/14	2012/13
Council tax income	(6,421)	(6,745)
Non domestic rates – distribution from the national pool	0	(8,435)
Net council share of business rates income	(1,618)	0
Non-domestic rates retention – safety net payment due from central government	(1,571)	0
Non-ringfenced government grants	(8,129)	(2,434)
Capital grants and contributions	(11,378)	(1,577)
	(29,117)	(19,191)

Notes to the Main Financial Statements

The business rates income retained by the Council under the business rates retention scheme of £1,618,000 comprises the Council's share of income of £33,904,000 less a tariff payment due to central government of £32,286,000.

9 Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice (SERCOP). However, decisions about resource allocation are taken by the Council's Executive on the basis of financial information analysed by portfolio. Reports presented to members are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- No charges are made in relation to revaluation losses and revenue expenditure funded from capital under statute.
- The cost of retirement benefits is based on cash flows (payment of employer's pension contributions) rather than current service cost of benefits accrued in the year.
- The net income generated by the Council's commercial property service is reported below 'cost of services' in 'financing and investment income and expenditure'.
- Reports include contributions to Repairs and Renewals Funds rather than the actual expenditure reflected in the accounts.

Notes to the Main Financial Statements

The income and expenditure of the Council's service portfolios recorded in the budget reports for the year and how it reconciles to that included in the net cost of services in the Comprehensive Income and Expenditure Statement is as follows:

(£000s)	2013/14	2012/13 (as restated)
Net Expenditure for the year as reported to management		
General Fund		
<i>Community Services Scrutiny Committee</i>		
Community Wellbeing	7,469	7,961
Housing	3,479	2,746
<i>Environment Scrutiny Committee</i>		
Public Places	2,109	2,002
Planning & Climate Change	1,231	1,610
Environmental & Waste Services	7,880	7,736
<i>Strategy & Resources Scrutiny Committee</i>		
Customer Services and Resources	(6,244)	(5,409)
Strategy	3,242	3,389
Housing Revenue Account		
Housing Management Board	(15,074)	(12,464)
	4,092	7,571
Amounts in the Comprehensive Income & Expenditure Statement not reported to management	1,083	9,844
Amounts reported to management not included in the Comprehensive Income and Expenditure Statement	4,477	4,828
Cost of Services in the Comprehensive Income and Expenditure Statement	9,652	22,243

The 2012/13 comparative figures have been restated to reflect the portfolios in operation during 2013/14.

Notes to the Main Financial Statements

This reconciliation (analysed subjectively) shows how the figures for the income and expenditure included in the reports to management relate to the Surplus or Deficit on the provision of services included in the Comprehensive Income and Expenditure Statement.

Financial year 2013/14

(£000s)	Portfolio Analysis	Amounts reported to management below portfolio analysis	Amounts reported to management which do not form part of CIES	Amounts not reported to management for decision making	Allocation of recharges	Total
Fees, charges and other service income	(74,090)	0	0	0	12,897	(61,193)
Interest and investment income	(580)	(113)	0	(3,863)	(7,740)	(12,296)
Income from council tax	0	(6,254)	0	(167)	0	(6,421)
Income from non-domestic rates	0	(6,396)	0	3,207	0	(3,189)
Gain on disposal of assets and other capital receipts	0	0	0	(1,485)	0	(1,485)
Government grants, donations and contributions	(39,509)	(8,130)	0	(11,378)	0	(59,017)
Total Income	(114,179)	(20,893)	0	(13,686)	5,157	(143,601)
Employee expenses	22,682	0	0	1,043	13,999	37,724
Other service expenses	66,282	0	(2,965)	3,848	(3,795)	63,370
Recharges	16,404	0	0	0	(16,404)	0
Depreciation, amortisation and impairment	12,901	0	(84)	(3,880)	1,572	10,509
Interest payments	2	7,494	0	4,387	(529)	11,354
Payments to Housing Receipts Pool	0	0	0	1,044	0	1,044
Total Expenditure	118,271	7,494	(3,049)	6,442	(5,157)	124,001
(Surplus) / Deficit on the provision of services	4,092	(13,399)	(3,049)	(7,244)	0	(19,600)

Notes to the Main Financial Statements

Financial year 2012/13 (as restated – see Note 43)

(£000s)	Portfolio Analysis	Amounts reported to management below portfolio analysis	Amounts reported to management which do not form part of CIES	Amounts not reported to management for decision making	Allocation of recharges	Total
Fees, charges and other service income	(70,326)	0	0	0	12,455	(57,871)
Interest and investment income	(699)	(101)	0	(2,342)	(7,868)	(11,010)
Income from council tax	0	(6,744)	0	(1)	0	(6,745)
Gain on disposal of assets and other capital receipts	0	0	0	(589)	0	(589)
Government grants, donations and contributions	(45,047)	(10,418)	123	(1,577)	0	(56,919)
Total Income	(116,072)	(17,263)	123	(4,509)	4,587	(133,134)
Employee expenses	21,632	0	0	61	13,446	35,139
Other service expenses	72,998	0	(2,033)	4,220	(3,413)	71,772
Recharges	15,606	0	0	0	(15,606)	0
Depreciation, amortisation and impairment	13,405	10	(176)	4,982	922	19,143
Interest payments	2	7,494	0	3,791	64	11,351
Payments to Housing Receipts Pool	0	0	0	908	0	908
Total Expenditure	123,643	7,504	(2,209)	13,962	(4,587)	138,313
(Surplus) / Deficit on the provision of services	7,571	(9,759)	(2,086)	9,453	0	5,179

10 Trading Operations

The financial results of the Council's significant trading activities for the year are set out below:

Included within Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement

(£000s)	2013/14	2012/13
Ditchburn Place Extra Care Contract		
Income	(638)	(622)
Expenditure	603	650
Deficit/(Surplus)	(35)	28

The City Council is contracted by Cambridgeshire County Council to provide care and support services for the extra care housing at Ditchburn Place.

Notes to the Main Financial Statements

Included within Planning services in the Comprehensive Income and Expenditure Statement

General Markets – the Council operates the general daily market in the city centre together with a number of other smaller specialist markets.

(£000s)	2013/14	2012/13
Income	(776)	(741)
Expenditure	422	405
Surplus	(354)	(336)

11 Agency Services

Agency Services provided on behalf of Cambridgeshire County Council were:

(£000s)	2013/14	2012/13
Highways Functions and Services		
Total costs	145	144
Costs reimbursed by the County Council	145	144

Box Office Services

The Council operates a box office for private promoters for performances and events held at the Corn Exchange. Gross income collected and paid over to promoters was £3,186,000 in 2013/14 (£3,156,000 in 2012/13.)

Notes to the Main Financial Statements

12 Members' Allowances

The total allowances paid to members during the financial year 2013/14 were £240,236 (£245,487 in 2012/13) as analysed below. Details of payments to individual members are published annually in a local newspaper.

(£)	2013/14	2012/13
Basic allowance payments	115,683	116,842
Special responsibility payments	121,488	126,175
Childcare allowance	345	192
Travel and subsistence payments:		
Subsistence	170	17
Travel claims	543	796
Travel warrants	503	225
Taxi fares	177	221
Mileage claims	1,327	1,019
	240,236	245,487

Additional civic responsibility payments were made to the Mayor and Deputy Mayor outside of the Members Allowances Scheme. These totalled £5,700 (£5,570 in 2012/13).

13 Related Party Transactions

The Council is required to disclose material transactions with related parties. Related parties are bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many transactions that the Council has with other parties (for example, Housing Benefits). Details of government grants received are set out in Note 33.

Members of the Council have direct control over the Council's financial and operating policies. During 2013/14 the Council gave grants totalling £232,091 (£245,949 in 2012/13) to voluntary organisations in which 8 (11 in 2012/13) members had an interest. None of these grants were unpaid at 31 March 2014 or at the end of the comparative period.

The relevant members did not take part in any discussion or decision relating to the grants. In addition one of these organisations has a long term loan from the Council as disclosed in Note 26 to the accounts.

No other material transactions have been identified for disclosure which are not already included elsewhere in this Statement of Accounts.

Notes to the Main Financial Statements

14 Employee Remuneration

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

	2013/14	2012/13
£50,000 to £54,999	1	3
£55,000 to £59,999	4	1
£60,000 to £64,999	5	9
£65,000 to £69,999	6	2
£70,000 to £74,999	3	4
£85,000 to £89,999	1	1
£90,000 to £94,999	1	2
£115,000 to £119,999	1	1
£135,000 to £139,999	1	0
Total	23	23

The remuneration of senior officers, who are included in the above table, is disclosed in more detail, including employer's pension contributions, below:

Financial year 2013/14

(£) Position / Name	Note	Salary	Allowances & Benefits in Kind	Redundancy	Pension Contribution	Total
Chief Executive (A Jackson)		117,859	0	0	21,922	139,781
Director of Resources (D Horspool)	1	91,891	10	44,939	17,092	153,932
Director of Environment (S Payne)		88,646	0	0	16,488	105,134
Director of Customer & Community Services (L Bisset)		91,891	0	0	17,092	108,983
Director of Business Transformation (R Ward)	2	20,970	0	0	3,900	24,870
Head of Corporate Strategy (A Limb)		65,951	0	0	12,267	78,218

Notes:

- 1 The Director of Resources left the Council on 31 March 2014.
- 2 The Director of Business Transformation joined the Council on 6 January 2014.

Notes to the Main Financial Statements

Between February and July 2014 the Section 151 (Chief Financial Officer) role was undertaken by Alex Colyer, the Executive Director, Corporate Services and Chief Finance Officer of South Cambridgeshire District Council. The Council paid South Cambridgeshire £1,914 for this service during 2013/14.

Financial year 2012/13

(£) Position / Name	Salary	Allowances & Benefits in Kind	Pension Contribution	Total
Chief Executive (A Jackson)	117,859	45	21,922	139,826
Director of Resources (D Horspool)	91,891	0	17,092	108,983
Director of Environment (S Payne)	88,646	12	16,488	105,146
Director of Customer & Community Services (L Bisset)	91,891	62	17,092	109,045
Head of Corporate Strategy (A Limb)	63,778	0	11,863	75,641

The number of exit packages, analysed between compulsory redundancies and other departures, and the total cost per band are set out in the table below:

Exit Package cost band (including special payments)	Number of Compulsory Redundancies		Number of other departures agreed		Total Number of exit packages by cost band		Total cost of exit packages in each band (£000)	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
£0 - £20,000	17	10	1	0	18	10	70	117
£20,001 - £40,000	3	4	0	1	3	5	72	124
£40,001 - £60,000	2	3	0	0	2	3	102	136
£60,001 - £80,000	1	0	0	0	1	0	64	0
Total	23	17	1	1	24	18	308	378

The cost of exit packages includes the capital costs of early retirements (which are not relevant in every case) due to be paid to the Local Government Pension Scheme by the Council. These costs are disclosed as post employment benefit costs within non-distributed costs on the Comprehensive Income and Expenditure Statement.

Prior year bandings and the total cost of exit packages have been restated where there were differences between the estimated cost of departure as used in the note in last year's accounts and the actual cost.

Notes to the Main Financial Statements

15 Audit Costs

Cambridge City Council incurred the following fees relating to external audit.

(£000s)	2013/14	2012/13
Fees payable to the appointed external auditor in respect of:		
External audit services	68	86
Certification of grant claims and returns	11	21
Fees payable in respect of other services	0	21
	79	128

Notes to the Main Financial Statements

16 Property, Plant and Equipment

Financial year 2013/14

(£000s)	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant & Equipment
Cost or Valuation								
At 1 April 2013	486,503	116,418	15,059	2,042	1,077	4,216	2,288	627,603
Opening adjustment between cost and accumulated depreciation	0	164	0	0	(25)	0	0	139
Additions	12,471	987	2,422	547	52	1,444	4,306	22,229
Revaluation increases/(decreases) recognised in the revaluation reserve	(2,477)	13,024	0	0	0	0	0	10,547
Revaluation increases/(decreases) recognised in the surplus / deficit on provision of services	6,759	(1,742)	0	0	0	0	0	5,017
Derecognition – disposals	(4,133)	0	0	0	0	0	0	(4,133)
Derecognition – other	(627)	(85)	0	0	0	(1,166)	(16)	(1,894)
Assets reclassified (to) / from intangible assets	0	0	0	0	0	0	(38)	(38)
Assets reclassified (to) / from held for sale	0	(495)	(312)	0	0	(1,134)	0	(1,941)
Assets reclassified (to) / from other categories of property, plant and equipment	(724)	(1,099)	90	0	18	1,870	(175)	(20)
At 31 March 2014	497,772	127,172	17,259	2,589	1,122	5,230	6,365	657,509
Accumulated Depreciation and Impairment								
At 1 April 2013	0	(5,736)	(7,579)	(323)	(25)	(68)	0	(13,731)
Opening adjustment between cost and accumulated depreciation	0	(164)	0	0	25	0	0	(139)
Depreciation charge	(10,382)	(3,140)	(1,615)	(55)	0	(85)	0	(15,277)
Depreciation written out to the Revaluation Reserve	10,247	4,698	0	0	0	0	0	14,945
Derecognition – disposals	81	0	0	0	0	0	0	81
Derecognition – other	0	6	0	0	0	54	0	60
Assets reclassified to / from Held for Sale	0	0	292	0	0	12	0	304
Assets reclassified to / from other categories of property, plant and equipment	54	2	0	0	0	(35)	0	21
At 31 March 2014	0	(4,334)	(8,902)	(378)	0	(122)	0	(13,736)
Net Book Value								
At 31 March 2014	497,772	122,838	8,357	2,211	1,122	5,108	6,365	643,773
At 31 March 2013	486,503	110,682	7,480	1,719	1,052	4,148	2,288	613,872

Notes to the Main Financial Statements

Financial year 2012/13 (as restated)

(£000s)	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant & Equipment
Cost or Valuation								
At 1 April 2012	491,714	116,538	16,427	1,832	919	0	4,320	631,750
Fully depreciated assets derecognised	0	(130)	(1,700)	0	0	0	0	(1,830)
Additions	9,903	2,875	971	112	93	0	1,510	15,464
Revaluation increases/(decreases) recognised in the revaluation reserve	(5,993)	1,097	0	0	0	3	0	(4,893)
Revaluation increases/(decreases) recognised in the surplus / deficit on provision of services	(3,977)	110	0	0	0	(43)	0	(3,910)
Derecognition – disposals	(3,276)	0	0	0	0	0	0	(3,276)
Derecognition – other	(480)	(172)	0	0	0	0	(25)	(677)
Assets reclassified (to) / from investment properties	0	30	0	0	0	0	(109)	(79)
Assets reclassified (to) / from held for sale	0	(3,849)	(733)	0	0	(364)	0	(4,946)
Assets reclassified (to) / from other categories of property, plant and equipment	(1,388)	(81)	94	98	65	4,620	(3,408)	0
At 31 March 2013	486,503	116,418	15,059	2,042	1,077	4,216	2,288	627,603
Accumulated Depreciation and Impairment								
At 1 April 2012	0	(4,598)	(8,331)	(249)	(25)	0	0	(13,203)
Fully depreciated assets derecognised	0	130	1,700	0	0	0	0	1,830
Depreciation charge	(10,478)	(2,922)	(1,630)	(50)	0	0	0	(15,080)
Depreciation written out to the Revaluation Reserve	10,331	1,595	0	0	0	18	0	11,944
Depreciation written out to the Surplus / Deficit on the Provision of Services	62	11	0	0	0	0	0	73
Assets reclassified to / from Held for Sale	0	0	705	0	0	0	0	705
Assets reclassified to / from other categories of property, plant and equipment	85	48	(23)	(24)	0	(86)	0	0
At 31 March 2013	0	(5,736)	(7,579)	(323)	(25)	(68)	0	(13,731)
Net Book Value								
At 31 March 2013	486,503	110,682	7,480	1,719	1,052	4,148	2,288	613,872
At 31 March 2012	491,714	111,940	8,096	1,583	894	0	4,320	618,547

Notes to the Main Financial Statements

Additions to assets under construction include £1,722,000 in respect of improvements to the Council's facilities at Parkside and Abbey Pools made and funded by Greenwich Leisure. These improvements have been treated as donated assets. The improved facilities became fully operational in April 2014.

17 Property Plant and Equipment - Revaluations

The Council carries out a rolling programme that ensures that Property, Plant and Equipment to be measured at fair value is revalued at least every five years.

Current year revaluations were carried out externally by:

Mr G Harbord MA MRICS IRRV(Hons) (Wilks Head and Eve)
Ms A Briggs BA (Hons) MRICS (Bidwells LLP)
Ms A Groom MA MRICS (Bidwells LLP)
Ms C Sale BA (Hons) MSc MRICS (Bidwells LLP)

The basis for valuation is set out in the statement of accounting policies on page 101.

The following statement should be noted with regard to the valuations carried out by Bidwells LLP:

In reaching the final valuation figures, Bidwells has departed from the RICS Valuation – Professional Standards (January 2014) prepared by the Royal Institution of Chartered Surveyors. This is because the valuation of the portfolio is such that Bidwells has not been instructed to re-inspect any of the properties. They have therefore relied on information either obtained by them in 1994, 1999, 2004, 2009 and 2014, or subsequently provided by Cambridge City Council in order to reach their conclusions.

Bidwells did undertake an external visual inspection of the properties valued. The Council provides updated information on each property to Bidwells to supplement the detail they already hold and meetings are held to plan and discuss the valuations. These would highlight any significant changes.

The Council has chosen to depart from the Appraisal and Valuation Standards on the grounds of achieving best value for money in relation to property valuation work.

The following table shows the current carrying value of assets by the date of the most recent valuation:

(£000s)	Council Dwellings	Other Land and Buildings	Surplus Assets	Total
Valued at fair value as at:				
31 March 2014	497,772	108,659	0	606,431
31 March 2013	0	3,804	3,448	7,252
31 March 2012	0	4,304	1,660	5,964
31 March 2011	0	3,799	0	3,799
31 March 2010	0	2,272	0	2,272
Total Valuation	497,772	122,838	5,108	625,718

Notes to the Main Financial Statements

Vehicles, Plant and Equipment as short life operational assets, are held at historical cost less depreciation as a proxy for fair value.

18 Property, Plant and Equipment - Depreciation

The majority of the Council's Property, Plant and Equipment are council dwellings. These are placed into four useful-life bandings. Assets built before 1945 are assessed as having a remaining useful life of 28 years, those built between 1945 and 1974 have a remaining useful life of 38 years, those built between 1974 and 2010 have a remaining useful life of 48 years and those built after 2010 have a useful life of 80 years.

The useful lives of other assets are estimated as:

- Infrastructure Assets – 20 to 40 years
- Other buildings – 50 to 60 years
- Vehicles, Plant and Equipment – 3 to 20 years

19 Heritage Assets

(£000s)	Civic Regalia
Carrying value at 1 April 2012, 31 March 2013 and 31 March 2014	430

The collection of Civic Regalia was valued at market value for insurance purposes in November 2011 by Mr Peter Buckle FIRV.

The Council has assessed that the value at the end of each financial year from 2009 to 2014 would not be materially different from the figure obtained in November 2011.

Notes to the Main Financial Statements

20 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

(£000s)	2013/14	2012/13
Opening Capital Financing Requirement	215,604	213,852
Capital Expenditure		
Property, Plant and Equipment	20,507	15,464
Investment Properties	322	701
Intangible Assets	110	80
Non-current assets held for sale	152	0
Donated Assets		
Property, Plant and Equipment	1,722	0
Capital Expenditure Charged to the Comprehensive Statement of Income and Expenditure		
Revenue Expenditure Funded from Capital	1,576	1,788
De-minimus capital expenditure	614	580
Loans Advanced		
Private Sector Housing Improvement Loans	33	38
Sources of finance		
Capital receipts	(3,414)	(779)
Government grants and other contributions	(4,475)	(2,561)
Revenue and reserves	(16,845)	(13,559)
Closing capital financing requirement	215,906	215,604

Notes to the Main Financial Statements

21 Capital Commitments

At 31 March 2014, the Council was contractually committed to capital work valued at approximately £8.7 million, as shown in the following table. Capital expenditure under these contracts will be incurred in 2014/15, apart from £1.3 million which it is estimated will be spent in 2015/16 and later years.

(£000s)	31 March 2014	31 March 2013
Property, Plant and Equipment		
Clay Farm Community Centre	213	290
Mercury abatement	0	31
Vehicle asset replacements	87	25
Grand Arcade Car Park control room	0	1
Development land on Kings Hedges Road	42	252
Arbury Community Centre	0	80
Grand Arcade Annex Car Park – Drainage Gulleys	0	52
Refurbishment of Newmarket Road Cemetery Buildings	0	56
Roman Court	633	1,236
HRA New Build Properties	4,245	0
Logan's Meadow nature reserve extension	79	0
Box Office ticketing system	58	0
Water play areas	351	0
Other works – less than £50,000 per contract	108	220
Investment Properties		
Lion Yard contribution to works	14	124
Kettle's Yard	40	0
Assets Held For Sale		
Land at Clay Farm	2,522	2,800
Revenue Expenditure Funded from Capital Under Statute		
Assessment Centre	0	241
Grants for Private Sector energy efficiency improvements	0	18
Community Development Grants Programme	260	225
	8,652	5,651

Notes to the Main Financial Statements

22 Investment Properties

The following items of income and expense have been accounted for in the Comprehensive Income and Expenditure Statement.

(£000s)	2013/14	2012/13
Rental income from investment property	(7,740)	(7,866)
Direct operating expenses arising from investment property	503	703
Net gain	(7,237)	(7,163)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the receipt of income and the proceeds of disposal.

The following summarises the movement in the fair value of investment properties over the year.

(£000s)	2013/14	2012/13
Balance at start of the year	114,476	111,373
<i>Additions:</i>		
Subsequent expenditure	322	701
Net gains / (losses) from fair value adjustments	3,846	2,323
Disposals	(115)	0
<i>Transfers:</i>		
(To) / from Property, Plant and Equipment	0	(30)
Transfers from assets in the course of construction	0	109
Balance at the end of the year	118,529	114,476

Notes to the Main Financial Statements

23 Intangible Assets

The Council accounts for its software as intangible assets, where the software is not such an integral part of a particular IT system that it is accounted for as part of the hardware item of property, plant and equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £114,000 charged to revenue in 2013/14 relates to specialist software and was charged to relevant services in the Comprehensive Income and Expenditure Statement.

The movement on intangible asset balances during the year was as follows:

(£000s)	2013/14 Software licences	2012/13 Software licences
Gross Carrying Amount:		
At 1 April	1,081	1,061
Fully amortised assets derecognised	0	(60)
Transfer from assets in the course of construction	38	0
Purchases	110	80
At 31 March	1,229	1,081
Accumulated Amortisation		
At 1 April	(609)	(523)
Fully amortised assets derecognised	0	60
Amortisation for the period	(114)	(146)
At 31 March	(723)	(609)
Net Book Value		
At 31 March	506	472

Specialist software was purchased in 2013/14 relating to the Council's customer service centre operations and box office ticketing. The costs will be amortised over the expected life of the software.

Notes to the Main Financial Statements

24 Leases

Council as Lessee

Finance Leases

The carrying value of investment properties held under finance leases was £1,660,000 at 31 March 2014 (£1,645,000 at 31 March 2013). Secondary lease payments of £2,247 in each of 2012/13 and 2013/14 were accounted for as finance costs. This annual charge will continue until 2035.

These relate to industrial units held under finance leases which are then leased out under operating leases and the total minimum lease payments are £80,632 at 31 March 2014 (£74,824 at 31 March 2013).

The Council leases in three car parks under long-term peppercorn leases. The carrying value of these car parks included in Property, Plant and Equipment was £23,957,500 at 31 March 2014 (£16,619,767 at 31 March 2013).

Operating Leases

The Council leases in a number of operational properties and some equipment under operating leases.

The future minimum lease payments due under non-cancellable leases in future years are:

(£000s)	31 March 2014	31 March 2013
Not later than one year	388	479
Later than one year and not later than five years	283	569
Later than five years	50	116
	721	1,164

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

(£000s)	2013/14	2012/13
Minimum lease payments	493	440

Council as Lessor

Operating Leases

The Council leases out commercial properties across the City under operating leases. The portfolio includes shops, industrial units and shopping centres.

Notes to the Main Financial Statements

The future minimum lease payments receivable, under leases which cannot be cancelled, are:

(£000s)	31 March 2014	31 March 2013
Not later than one year	4,192	4,305
Later than one year and not later than five years	11,835	12,311
Later than five years	99,104	102,039
	115,131	118,655

The minimum lease payments receivable do not include contingent rents such as those based on turnover. In 2013/14 £2,085,334 of contingent rents were receivable by the Council (2012/13 £2,251,756).

25 Short-Term and Long-Term Investments

(£000s)	2013/14		2012/13	
	Long Term	Short Term	Long Term	Short Term
Investments in Icelandic banks and their UK subsidiaries	1,128	951	1,734	794
Other investments	5,000	69,118	0	58,299
	6,128	70,069	1,734	59,093

Investments in Icelandic Banks and their UK Subsidiaries

Investments included in current assets and long-term assets in the Balance Sheet at 31 March 2014 include the following investments, the values of which have been impaired because of the financial difficulties experienced by Icelandic banks and their subsidiaries.

In October 2008, a number of Icelandic Banks and their UK subsidiaries went into administration.

The Council had £9m deposited between Landsbanki Islands hf and its UK subsidiary, Heritable Bank Plc, with varying maturity dates and interest rates as follows:

(£000s)	Original Investment Date	Original Maturity Date	Amount Invested (£000)	Interest Rate (%)
Heritable	09/01/2008	09/10/2008	1,000	5.65
Heritable	13/06/2008	22/12/2008	1,000	6.21
Landsbanki	30/06/2008	06/01/2009	2,000	6.22
Heritable	05/09/2008	05/03/2009	2,000	6.00
Landsbanki	01/07/2008	24/04/2009	1,000	6.35
Landsbanki	01/07/2008	22/05/2009	2,000	6.42
			9,000	

During 2012/13 Landsbanki Islands hf was renamed LBI hf.

Notes to the Main Financial Statements

All monies within these institutions are currently subject to their respective administration and receivership processes. The amount and timing of payments to depositors such as the Council is determined by the administrators / receivers.

Based on the latest information available, the Council considers that it is appropriate to make an impairment adjustment for the deposits based on the information outlined below. As the available information is not definitive as to the amounts and timings of payments to be made by the administrators/receivers, it is likely that further adjustments will be made to the accounts in future years.

The reversal of impairment losses recognised in the Income and Expenditure Account in 2013/14 of £343,000 (2012/13 impairment losses of £66,000) have been calculated by discounting the assumed cashflows at the effective interest rate of the original deposits in order to recognise the anticipated loss of interest to the Council until monies are recovered.

The overall position is summarised as follows:

(£000s)	2013/14		2012/13	
	Heritable Bank Plc	LBI hf	Heritable Bank Plc	LBI hf
Balance sheet carrying value				
Long term investments	0	1,128	0	1,734
Short term investments	101	850	421	373
Increase / (decrease) in impairment recognised in the Comprehensive Income and Expenditure account	(343)	0	15	51
Cash received	682	260	381	941

The deposits in Heritable were originally impaired by £1,244,000 and in LBI by £1,390,000 in 2008/09. In 2009/10 there was an additional impairment of £408,000 in respect of LBI and a reversal of the Heritable impairment of £212,000. In 2010/11 there was a further impairment of £42,000 in respect of LBI. In 2012/13 there was a further £15,000 impairment in respect of Heritable and £51,000 in respect of LBI.

Heritable Bank Plc

Heritable Bank Plc is a UK registered bank operating under Scottish law. The company was placed in administration on 7 October 2008. The cumulative expected recovery reflected in the 2012/13 accounts was 88%. During 2013/14 the council received a further dividend bringing the overall recovery to just over 94%. The administrators have not given any firm indication as to the likelihood of any further dividends but given the information available to it, the Council has assumed an overall recovery of 96.5%. Recoveries are expressed as a percentage of the Council's claim, which includes interest accrued up to 6 October 2008.

Notes to the Main Financial Statements

LBI hf

Following steps taken by the Icelandic Government in early October 2008 the then Landsbanki's domestic assets and liabilities were transferred to a new bank (new Landsbanki) with the management of the affairs of Old Landsbanki (now renamed LBI) being placed in the hands of a resolution committee. The Council is a priority creditor.

Distributions are being made in a basket of currencies and to date, in sterling terms, the distributions total approximately 54% of the Council's claim.

The future pattern of distributions by the Winding Up Board is not known, but based on available information the Board currently expects there to be sufficient funds to repay 100% of priority creditor claims. The Council has assumed that the remaining recoveries take place over the period until December 2018.

Interest credited to the Comprehensive Income and Expenditure Statement in respect of these investments (but not actually received) is as follows:

(£000s)	2013/14	2012/13
Heritable Bank Plc	19	29
LBI hf	133	152

Further details on the Council's approach to managing credit risks are contained in Note 38.

26 Long-Term Debtors

Long-term debtors which fall due after a period of at least one year:

(£000s)	31 March 2014	31 March 2013	1 April 2012
Mortgages	1	3	8
Grand Arcade reverse lease premium	211	217	223
Private sector housing improvement loans	769	832	812
Sale of land at Kings Hedges	30	30	30
Long term loan – Kelsey Kerridge Sports Centre	11	26	38
Mortgage Repossessions Loans	7	0	0
	1,029	1,108	1,111

Notes to the Main Financial Statements

27 Assets Held for Sale

(£000s)	Current		Long Term	
	2013/14	2012/13	2013/14	2012/13
Balance at 1 April	841	0	3,354	0
Assets newly classified as held for sale:				
Property, plant & equipment	1,635	869	0	3,371
Transfers between current and long term assets held for sale	3,354	0	(3,354)	0
Assets sold	(1,355)	(28)	0	0
Enhancement expenditure	152	0	0	0
Impairment losses	(135)	0	0	(17)
Balance at 31 March	4,492	841	0	3,354

The net impairment loss recognised in 2013/14 of £135,000 includes an impairment charge of £152,000 in respect of land held at Clay Farm and a reversal of the £17,000 charge initially made in 2012/13 in respect of land at Latimer Close.

28 Debtors

(£000s)	31 March 2014	31 March 2013	1 April 2012
Central government bodies	10,638	679	885
Other local authorities	490	1,721	2,004
NHS bodies	10	16	28
Public corporations and trading funds	10	0	2
Council Tax payers (City share)	640	621	622
National Non Domestic Rate Payers (City Share)	381		
Council Tax payers (Precepting Bodies Share)	2,156	2,080	2,020
Housing tenants and leaseholders	578	465	470
Trade and other	2,292	2,494	2,048
	17,195	8,076	8,079

Notes to the Main Financial Statements

29 Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

(£000s)	31 March 2014	31 March 2013	1 April 2012
Cash held by the Council	5	5	3
Bank current accounts	458	479	398
Bank deposits accounts	6,110	7,250	4,380
	6,573	7,734	4,781

30 Short-Term Creditors

(£000s)	31 March 2014	31 March 2013 (as restated)	1 April 2012 (as restated)
Central government bodies	(1,931)	(477)	(4,351)
Other local authorities	(783)	(527)	(1,112)
NHS bodies	0	(17)	0
Public corporations and trading funds	(3)	(22)	(19)
Other entities and individuals	(8,965)	(9,857)	(6,952)
	(11,682)	(10,900)	(12,434)

31 Receipts in Advance

(£000s)	31 March 2014	31 March 2013 (as restated)	1 April 2012 (as restated)
Cambridge City Council share of Council Tax receipts in advance	(357)	(358)	(365)
Cambridge City Council share of non-domestic rates receipts in advance	(597)	0	0
Capital grants receipts in advance	(452)	(1,072)	(677)
Housing Tenants and Leaseholders	(1,300)	(640)	(619)
Other	(3,608)	(1,922)	(1,737)
	(6,314)	(3,992)	(3,398)

Receipts in advance in respect of housing tenants and leaseholders were previously shown within creditors. The prior year comparatives for 31 March 2013 and 1 April 2012 have been restated for consistency.

Notes to the Main Financial Statements

32 Provisions

Insurance Provision

The insurance provision has been set aside to meet the estimated cost to the Council of outstanding insurance claims. However, the actual cost (if any) of individual claims and the timing of payments are uncertain and may be dependent upon the results of negotiation and/or legal action.

Under current insurance arrangements, the Council takes responsibility for meeting the first £10,000 of any liability claim up to a total combined loss in any insurance year of £200,000. For motor claims the Council takes responsibility for meeting the first £10,000 of any claim. For property losses, the Council is responsible for meeting up to £150,000 of claims in respect of General Fund property from the provision and up to £250,000 for HRA property from the HRA. The Council's external insurers meet claims or losses in excess of these amounts.

Business Rates Appeals Provision

Since the introduction of the Business Rates Retention Scheme from 1 April 2013, local authorities are liable for successful appeals against business rates charged to businesses, both in the current financial year and earlier years, in proportion to their local share of business rates income. The Council's share of business rates income is 40%.

A provision has therefore been recognised for the best estimate of the amount that will be repayable in respect of years up to 31 March 2014 following successful rating valuation appeals. This estimate has been calculated using the Valuation Office Agency (VOA) ratings list of appeals and historical data on successful appeals to date. The timing of the settlement of these appeals is uncertain as they are outside of the Council's control.

(£000s)	Insurance Provision	Business Rates Appeals Provision	Other Provisions	Total
Balance at 1 April 2013	(349)	0	(15)	(364)
Additional provisions made in 2013/14	(164)	(3,239)	(20)	(3,423)
Amounts used in 2013/14	111	0	6	117
Unused amounts reversed in 2013/14	127	0	0	127
Balance as at 31 March 2014	(275)	(3,239)	(29)	(3,543)

Notes to the Main Financial Statements

33 Grant Income

The Council credited the following significant grants and contributions to the Comprehensive Income and Expenditure Statement in 2013/14:

(£000s)	2013/14	2012/13
Credited to Taxation and Non Specific Grant Income		
Share of National Non-domestic Rates	0	(8,435)
Revenue Support Grant	(5,639)	(163)
Council Tax Freeze Grant	0	(171)
New Homes Bonus	(2,117)	(1,399)
New Burdens and Transitional Grants	(119)	(126)
Small Business Rate Relief Grant	(254)	0
Homelessness Grant	0	(575)
Donated Assets	(1,722)	0
Green Deal Capital Grant	(7,758)	0
Other Capital grants and contributions	(1,898)	(1,577)
	(19,507)	(12,446)
Credited to Services		
Council Tax Admin Subsidy	0	(214)
Council Tax Benefits Subsidy	0	(6,414)
Discretionary Housing Payments	(182)	(65)
Rent Allowance and Rent Rebates Admin Subsidy	(622)	(477)
Rent Allowance Subsidy	(18,051)	(17,180)
Rent Rebates Subsidy	(18,959)	(18,345)
Non HRA Rent Rebates Subsidy	(158)	(104)
	(37,972)	(42,799)

The Council has received a number of developer contributions that have yet to be recognised as income as they have conditions attached to them that may require the monies to be returned to the developer. The balances at the year-end are as follows:

(£000s)	31 March 2014	31 March 2013
Capital Grants Receipts in Advance		
Due within 12 months	(452)	(1,072)
Due in more than 12 months	(5,321)	(4,397)
Total	(5,773)	(5,469)

Notes to the Main Financial Statements

34 Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Notes 4 and 5.

35 Unusable Reserves

(£000s)	31 March 2014	31 March 2013 (as restated)	1 April 2012
Deferred Capital Receipts	(45)	(60)	(77)
Revaluation Reserve	(72,434)	(48,019)	(41,815)
Capital Adjustment Account	(480,287)	(470,742)	(476,122)
Financial Instruments Adjustment Account	122	81	393
Pensions Reserve	95,201	92,967	78,945
Collection Fund Adjustment Account	3,395	157	158
Accumulated Absences Account	498	491	558
Total Unusable Reserves	(453,550)	(425,125)	(437,960)

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by capital receipts. When the deferred cash settlement actually takes place, amounts are transferred to the Capital Receipts Reserve.

(£000s)	2013/14	2012/13
Balance at 1 April	(60)	(77)
Transfer to the Capital Receipts Reserve upon receipt of cash	15	17
Balance at 31 March	(45)	(60)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Notes to the Main Financial Statements

(£000s)	2013/14	2012/13 (as restated)
Balance at 1 April	(48,019)	(41,815)
Net (gains) / losses on revaluations during the year	(25,490)	(7,051)
Amounts written off to the Capital Adjustment Account		
Amounts to be transferred to capital adjustment account following reconciliation of new asset database	24	
Difference between fair value depreciation and historical cost depreciation	955	810
Accumulated gains on assets sold or scrapped	96	37
Balance at 31 March	(72,434)	(48,019)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 4 provides details of the source of all the transactions posted to the Capital Adjustment Account, apart from those involving the Revaluation Reserve.

Notes to the Main Financial Statements

(£000s)	2013/14	2012/13 (as restated)
Balance at 1 April	(470,742)	(476,122)
Charges for depreciation and impairment of non-current assets	15,277	15,080
Revaluation (gains)/losses on property, plant and equipment	(5,017)	3,901
Impairment losses on assets held for sale	135	17
Amortisation of intangible assets	114	146
Revenue expenditure funded from capital under statute and de minimus capital spend	2,190	2,368
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	7,261	3,871
Amounts to be transferred from revaluation reserve following reconciliation of new asset database	(24)	0
Depreciation in excess of historic cost transfer from revaluation reserve	(955)	(810)
Transfer from revaluation reserve on disposal of non-current assets	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	(3,414)	(779)
Use of the Major Repairs Reserve to finance new capital expenditure	(7,870)	(3,424)
Application of grants and contributions to capital financing	(4,475)	(2,561)
Repayment of private sector housing loans	54	36
Private sector housing loans adjustment	0	(7)
Capital expenditure charged against the General Fund and Housing Revenue Account balances	(8,975)	(10,135)
Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement	(3,846)	(2,323)
Balance at 31 March	(480,287)	(470,742)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains in accordance with statutory provisions.

(£000s)	2013/14	2012/13
Balance at 1 April	81	393
Amortisation of debt redemption premium	0	(301)
Movement in fair value of private sector housing improvement loans	41	(11)
Balance at 31 March	122	81

Notes to the Main Financial Statements

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pensions funds or eventually pays any pensions for which is it directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. Further details on pension transactions are shown in note 39.

(£000s)	2013/14	2012/13
Balance at 1 April	92,967	78,945
Remeasurements of the net defined benefit liability/(asset)	(3,003)	10,104
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	10,185	8,750
Employer's pension contributions and direct payments to pensioners payable in the year	(4,948)	(4,832)
Balance at 31 March	95,201	92,967

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

(£000s)	2013/14	2012/13
Balance at 1 April	157	158
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(167)	(1)
Amount by which non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different to the non-domestic rates income calculated for the year in accordance with statutory requirements	3,405	0
Balance at 31 March	3,395	157

Notes to the Main Financial Statements

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. The amounts accrued at the end of each year reflect untaken leave, time-off-in-lieu and flexitime balances. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

(£000s)	2013/14		2012/13	
Balance at 1 April		491		558
Settlement of or cancellation of accrual made at the end of the preceding year	(491)		(558)	
Amounts accrued at the end of the current year	498		491	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		7		(67)
Balance at 31 March		498		491

36 Contingent Liabilities and Assets

Contingent Liabilities

Legal Cases

There is an ongoing legal case in respect of a planning issue. A legal challenge by way of judicial review has been made and should legal proceedings find against the Council, it may be liable for some or all of the claimants' costs.

Property Search Fees

A group of Property Search Companies is seeking to claim refunds of fees paid to the Council to access land charges data. Proceedings have not yet been issued. The Council has been informed that the value of those claims is at present £95,314 plus interest and costs. The claimants have also intimated that they may bring a claim against all English and Welsh local authorities for alleged anti-competitive behavior. It is not clear what the value of any such claim would be against the Council.

During early 2014 a further 4 companies have indicated to the Local Government Association (LGA) that they will be seeking refunds of a currently unspecified amount. All Councils are subject to these claims and are working collectively with the LGA and their appointed solicitors Bevan Brittan LLP.

Contingent Assets

VAT

HM Revenue and Customs (HMRC) v Isle of Wight and others

The above case has been appealed again following a judgement in October 2012. No final determination has yet been made as to whether the VAT liability for the provision of off-street car parking by local authorities should be VAT standard rated or classed as 'non-business' (and hence outside the scope of VAT). The Council has submitted, based on the possible final outcome of the case, claims for the repayment of £23.8 million of VAT (net of fees) paid over to HMRC in relation to off-street car parking since the start of VAT in April 1973. As at 31 March 2014 this claim remained outstanding pending the outcome of a further VAT tribunal. The Upper Tribunal heard the appeal on 10/11 April 2014 and the decision is awaited. This tribunal will be looking at the question of possible distortion of competition if the provision of off-street parking by local authorities was not subject to VAT but that provided by the private sector was.

Compound Interest

There have been a number of recent developments in relation to the ability of taxpayers to claim 'compound', as opposed to 'simple', interest on monies repaid (or to be repaid) to them by HMRC. Compound interest can far exceed that of simple interest and the Council has been advised that claims for compound interest can, potentially, go back to 1973. In view of the significant value of VAT repayment claims already made by the Council, both in relation to that still outstanding (as above) and those already repaid by HMRC, the Council has engaged a firm of lawyers to submit a claim for compound interest to the High Court. It is currently unclear when these claims will be determined. However, on 28 March 2014, the High Court handed down a judgment in favour of Littlewoods Retail Limited that EU law requires compound interest to be paid as a remedy for overpayment of VAT. HMRC are expected to appeal.

Notes to the Main Financial Statements

37 Financial Instruments

Categories of Financial Instrument

The following categories of financial instrument are carried in the balance sheet:

(£000s)	Long Term		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Investments				
Loans and receivables	6,128	1,734	70,069	59,093
Debtors				
Loans and receivables	1,029	1,109	11,668	3,478
Creditors & Receipts in Advance				
Financial liabilities at amortised cost	(5,321)	(4,397)	(14,981)	(14,294)
Long Term Borrowing	(213,654)	(213,654)	0	0
	(211,818)	(215,208)	66,756	48,277

Private Sector Housing Improvement Loans

The Council makes means-tested loans of up to £20,000 to individuals, secured on the value of their property, in order to fund major improvements. These loans are normally repayable on sale of the property. These loans are interest free and are therefore deemed to be soft loans. The notional interest rate used for these loans is based on the Council's prevailing cost of borrowing for a maturity loan of 5 years duration. No allowance is made for the risk that the loans might not be repaid as they are secured.

(£000s)	2013/14	2012/13
Balance sheet (fair) value as at 1 April	832	812
Nominal value of new loans recognised in the year	33	45
Interest – increase in discounted amount	17	20
Loans repaid	(54)	(36)
Fair value adjustments	(59)	(9)
Balance sheet (fair) value as at 31 March	769	832
Loan payments outstanding (nominal value) at 31 March	892	913

Notes to the Main Financial Statements

Income, Expense, Gains and Losses

The following items of income, expense, gain or loss are reflected in the Statement of Comprehensive Income and Expenditure in respect of financial instruments:

(£000s)	2013/14		2012/13	
	Financial Liabilities at amortised cost	Financial Assets – Loans and Receivables	Financial Liabilities at amortised cost	Financial Assets – Loans and Receivables
Interest expense	7,496	0	7,496	0
Reductions in fair value	0	59	0	9
Reversal of losses on impaired financial assets	0	(343)	0	0
Impairment losses	0	173	0	221
Total expense in Surplus or Deficit on the Provision of Services	7,496	(111)	7,496	230
Interest Income	0	(558)	0	(640)
Interest income accrued on impaired financial assets	0	(152)	0	(181)
Total income in Surplus or Deficit on the Provision of Services	0	(710)	0	(821)

Fair Value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- ◆ An estimated interest rate at 31 March 2014 of 3.00% (1.87% at 31 March 2013) has been used to calculate the fair value of private sector housing improvement loans
- ◆ Estimated ranges of interest rates at 31 March 2014 of 3.37% to 3.41% (2.94% to 3.13% at 31 March 2013) for loans from the PWLB based on premature repayment rates at that date
- ◆ No early repayment is recognised
- ◆ Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value
- ◆ The fair value of trade and other receivables is taken to be the invoiced or billed amount
- ◆ The fair value of capital contributions received in advance is taken to be the amount received

Notes to the Main Financial Statements

The fair values are calculated as follows:

(£000s)	31 March 2014		31 March 2013	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Liabilities at amortised cost				
Current liabilities	(14,981)	(14,981)	(14,294)	(14,294)
Long term liabilities	(5,321)	(5,321)	(4,397)	(4,397)
Long term borrowing	(213,654)	(218,515)	(213,654)	(232,650)
Loans and receivables:				
Long term debtors	1,029	1,029	1,109	1,109
Current debtors	11,668	11,668	3,478	3,478
Long term investments	6,128	6,127	1,734	1,734
Current investments	70,069	70,069	59,093	59,093

The fair value of the liabilities is higher than the carrying amount because the Council's portfolio of loans includes fixed rate loans where the interest rate payable is higher than the prevailing rates at the balance sheet date.

38 Nature and extent of risks arising from financial instruments

The Council's activities expose it to a variety of financial risks:

- ◆ Credit risk – the possibility that other parties might fail to pay amounts due to the Council
- ◆ Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments
- ◆ Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

How the Council manages those risks

The Council maintains principles for overall risk management, as well as approved policies covering specific areas, such as Treasury Management. The principles behind how the Council intends to manage overall credit, liquidity and market risk in its investments are contained within the Annual Treasury Management and Investment Strategy report, submitted to full Council before the start of each financial year. This strategy can be amended, but only by full Council. During 2013/14 the Council did not make any amendments to its investment strategy. These changes are summarised in the table below:

Notes to the Main Financial Statements

Counterparty	Limit
Single named Institution (Nationalised Banks, Local Authorities & UK Domiciled Banks excluding Santander)	Increased by £5m to £15m
UK Nationalised Group Limit	Increased by £7.5m to £22.5m
Certificates of Deposit (New)	£10m (Included within single counterparty bank limit)
AAA Money Market Funds	£10m total per fund

The increase in limits and diversification in using other financial instruments was necessary to offset the effects of further decreases in market interest rates without unduly increasing risk.

Credit risk

Credit risk arises from investments with banks and other financial institutions, as well as credit exposures to the Council's customers.

The Council seeks through the operation of its Treasury Management and Investment Strategy to minimise its exposure to risks in relation to investments.

The Council has, in 2013/14, continued with its suspension of lending to overseas financial institutions or their UK subsidiaries. The Council's current policy is to only lend to UK banks, building societies and other local authorities for up to twelve months in duration. This is in line with guidance from our treasury management advisers and in line with the Council's established Treasury Management Investment Strategy.

The Council has also maintained a limit on the total that may be invested within the same company group. The policy of having no limit on the total amount which may be invested in the Government's Debt Management Account deposit Facility (DMADF) continued in 2013/14.

The Council uses the 'creditworthiness service' provided by Capita. This service has been progressively enhanced and uses a sophisticated modelling approach using credit ratings from the following rating agencies – Fitch, Moodys and Standard and Poor's. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the appropriate duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments.

With the exception of the DMADF, limits are set for the amount that may be on deposit with any one institution. At 31 March 2014 these were: a maximum of £20 million with HSBC Bank Plc (the Council's bank), £15 million with other approved counterparties and a maximum of 1.5 times this limit may be invested, in total, with counterparties belonging to the same company group. The

Notes to the Main Financial Statements

Council also took advantage of using these limits in depositing funds within bank call accounts. This increased yield levels without prejudicing the Council's risk averse nature.

In light of the above investment strategy, the Council considers that it has taken all reasonable steps to reduce to a minimum any exposure to credit risks in relation to its investments at 31 March 2014 and that any residual risk cannot be quantified.

The following shows the original principal sums of investments at 31 March analysed by the nature of financial institution and remaining period to maturity:

(£000s)	Maturity Band				Total
	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	
31 March 2014					
United Kingdom					
Banks	3,000	28,000	16,500	0	47,500
Building Societies	15,000	0	0	0	15,000
Local Authorities	4,500	2,000	0	5,000	11,500
Total	22,500	30,000	16,500	5,000	74,000

(£000s)	Maturity Band				Total
	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	
31 March 2013					
United Kingdom					
Banks	0	23,000	12,000	0	35,000
Building Societies	7,000	3,000	0	0	10,000
Local Authorities	13,200	0	0	0	13,200
Total	20,200	26,000	12,000	0	58,200

These tables exclude the investments in Heritable Bank and LBI as detailed in Note 25.

Notes to the Main Financial Statements

The following analysis summarises the Council's assessment of its potential maximum exposure to credit risk (impairment allowance) in relation to debtors:

(£000s)	31 March 2014		31 March 2013	
	Gross Debt	Impairment Allowance	Gross Debt	Impairment Allowance
Long term debtors	1,029	0	1,109	0
Current and former tenants	1,711	1,259	1,523	1,205
Other debtors	3,714	357	3,465	306
	6,454	1,616	6,097	1,511

Long-term debtors include private sector housing improvement loans and council house mortgages. These debts are secured on properties.

The movement in the impairment allowance during the year can be summarised as follows:

(£000s)	31 March 2014	31 March 2013
Balance at 1 April	1,511	2,196
Increase in allowance for impairment	165	100
Balances written off during the year	(60)	(785)
Balance at 31 March	1,616	1,511

The Council does not generally extend credit to its customers beyond 21 days. At 31 March 2014, of the total debtor and deferred debtor balances of £6.2 million (£6.1 million at 31 March 2013), the past due amount was £2.1 million (£2.3 million at 31 March 2013) and can be analysed by age as follows:

(£000s)	31 March 2014	31 March 2013
Customer Debts		
Less than three months	385	368
Three to six months	115	446
Six months to one year	210	202
More than one year	1,361	1,286
Balance at 31 March	2,071	2,302

Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the Public Works Loan Board (PWLb). There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

On 28 March 2012 the Council took out a number of fixed rate maturity loans with the PWLB to meet the cost of the HRA self-financing settlement due to central government. These loans had terms of between 26 and 45 years. The HRA business plan confirms the affordability of interest payments and the repayment of these loans on maturity and that the Council may be able to

Notes to the Main Financial Statements

consider earlier redemption if advantageous. However, this will not be considered in the short-term, due to current market conditions.

The maturity analysis of the loans is as follows:

(£000s)	31 March 2014	31 March 2013
Between 20 and 25 years	10,683	10,683
Between 25 and 30 years	53,413	53,413
Between 30 and 35 years	53,413	53,413
Between 35 and 40 years	53,414	53,414
Between 40 and 45 years	42,731	42,731
	213,654	213,654

Market risk

Interest rate risk

The Council is exposed to minimal risk in terms of its exposure to movements in interest rates. This is because the majority of its investments are at fixed rates. These investments are also of less than one year in duration and so changes to fair value will be minimal. The Council does, however, utilise bank deposit accounts for very short term cash deposits and the interest rate on this account moves in line with movements in the bank rate.

In general terms, a rise in interest rates would have the following effects:

- ◆ Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise
- ◆ Investments at fixed rates – the fair value of the assets will fall
- ◆ Loans at fixed rates – the fair value of liabilities will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services. The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. During 2013/14, if interest rates on the bank deposit accounts had been one percentage point higher, with all other variables held constant, the financial effect would have been an additional income of £341,000 (£178,000 in 2012/13).

Price risk

The Council does not invest in equity shares and so is not exposed to this risk.

Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies other than its exposure as detailed in Note 25.

39 Defined Benefit Pension Schemes

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered locally by Cambridgeshire County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Transactions relating to post employment benefits

The Council recognises the cost of retirement benefits in the reported cost of services when employees earn them, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the employer contributions payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Notes to the Main Financial Statements

(£000s)	Local Government Pension Scheme	
	2013/14	2012/13 (as restated)
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current service cost	5,872	4,699
Past service costs (including curtailments)	112	260
Financing and Investment Income and Expenditure:		
Net interest cost	4,201	3,791
Total post employment benefit charged to the surplus or deficit on the provision of services	10,185	8,750
Other post employment benefit charged to the comprehensive income and expenditure statement		
Remeasurement of net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(3,806)	(13,163)
Changes in demographic assumptions	(4,486)	0
Changes in financial assumptions	11,047	23,412
Other experience changes	(5,758)	(145)
Total post employment benefit charged to the comprehensive income and expenditure statement	7,182	18,854
Movement in reserves statement		
Reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the code	(2,234)	(14,022)
Employers' contributions payable to the scheme	4,948	4,832

Pensions Assets and Liabilities Recognised in the Balance Sheet

(£000s)	2013/14	2012/13
Present value of the defined benefit obligation	(253,978)	(241,392)
Fair value of plan assets	158,777	148,425
Net liability arising from defined benefit obligation	(95,201)	(92,967)

The net liability shows the underlying commitments that the Council has in the long run to pay post employment (retirement) benefits. The total liability of £95.2 million has a substantial impact on the net worth of the Council as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy.

Notes to the Main Financial Statements

Assets and liabilities in relation to post employment benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

(£000s)	2013/14	2012/13 (as restated)
Opening balance at 1 April	(241,392)	(208,232)
Current Service Cost	(5,872)	(4,699)
Past service cost	(112)	(260)
Interest Cost	(10,873)	(9,991)
Contributions by scheme participants	(1,559)	(1,501)
Benefits paid	6,303	6,235
Estimated unfunded benefits paid	330	323
Remeasurements – changes in financial assumptions	(11,047)	(23,412)
Remeasurements – other experience	5,758	145
Remeasurements – changes in demographic assumptions	4,486	0
Closing balance at 31 March	(253,978)	(241,392)

Reconciliation of fair value of the scheme (plan) assets:

(£000s)	2013/14	2012/13 (as restated)
Opening balance at 1 April	148,425	129,287
Interest income on plan assets	6,672	6,200
Contributions by scheme participants	1,559	1,501
Employer Contributions	4,618	4,509
Contributions in respect of unfunded benefits	330	323
Benefits paid	(6,303)	(6,235)
Unfunded benefits paid	(330)	(323)
Remeasurements – return on assets excluding amount in net interest expense	3,806	13,163
Closing balance at 31 March	158,777	148,425

Notes to the Main Financial Statements

Local Government Pension Scheme asset breakdown

(£000s)	Fair value of scheme assets	
	2013/14	2012/13
Cash and cash equivalents	2,117	3,560
Equity instruments:		
Consumer	13,864	13,924
Manufacturing	13,103	11,960
Energy & utilities	5,627	5,138
Financial Institutions	16,018	12,255
Health and care	4,681	4,209
Information technology	9,495	7,512
Other	441	555
Private Equity	9,445	10,205
Investment Funds and Unit Trusts:		
Equities	51,053	51,063
Bonds	24,202	17,577
Other	8,731	10,467
Closing balance at 31 March	158,777	148,425

All scheme assets have quoted prices in active markets except for private equities.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Local Government Pension Scheme liabilities have been assessed for the County Council Fund by Hymans Robertson, an independent firm of actuaries, based on the latest full valuation of the scheme as at 31 March 2013.

Notes to the Main Financial Statements

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2013/14	2012/13
Mortality Assumptions:		
<i>Longevity at 65 for current pensioners</i>		
Men	22.5	21.0
Women	24.5	23.8
<i>Longevity at 65 for future pensioners</i>		
Men	24.4	22.9
Women	26.9	25.7
Rate of inflation	3.6%	2.8%
Short term rate of increase in salaries	1.0%	1.0%
Long term rate of increase in salaries	4.6%	5.1%
Rate of increase in pensions	2.8%	2.8%
Rate for discounting scheme liabilities	4.3%	4.5%
Take up of option to convert annual pension into retirement lump sum (in respect of pre April 2008 service)	25.0%	25.0%
Take up of option to convert annual pension into retirement lump sum (in respect of post April 2008 service)	63.0%	63.0%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table below. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes whilst all other factors remain constant. The assumptions in longevity for example assume that life expectancy increases for men and women. In practice this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in assumption at 31 March 2014	Approximate % increase to Employer Liability	Approximate Monetary amount (£000s)
0.5% decrease in the real discount rate	10%	25,575
1 year increase in member life expectancy	3%	7,617
0.5% increase in the salary increase rate	3%	8,441
0.5% increase in the pensions increase rate	7%	16,768

Notes to the Main Financial Statements

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve an appropriate funding level over the period until 31 March 2017.

The next triennial revaluation is due to be completed as at 31 March 2016.

There are a number of changes to the Local Government Pension Scheme from 1 April 2014 which include the introduction of a new career average revalued earnings scheme to pay pensions.

The Council expects to pay contributions of £4,879,000 in 2014/15.

The weighted average duration of the defined benefit obligation for scheme members is:

	Weighted average duration
Active members	25.2
Deferred members	23.2
Pensioner members	11.6
Total	19.7

The weighted average duration is the weighted average time until the payment of expected future discounted cashflows, determined based on membership and the financial and demographic assumptions as at the most recent actuarial valuation. These durations are as they stood at the previous formal valuation as at 31 March 2013.

Notes to the Main Financial Statements

40 Cashflow Statement – Operating Activities

The cash flows for operating activities include the following items:

(£000s)	2013/14	2012/13
Housing rents	18,284	17,034
Revenue Support Grant	5,639	164
Council share of national non-domestic rates from national pool	0	8,435
Council Share on non-domestic rates income collected	37,406	0
Non domestic rates – tariff payment to central government	(32,286)	0
New Homes Bonus	2,117	1,777
Housing Benefit subsidies	36,779	35,834
Council share of Council Tax receipts	6,558	6,872
Cash paid to and on behalf of employees	(32,719)	(33,025)
Payments to the capital receipts pool	(1,009)	(1,036)
Housing Benefit paid	(18,539)	(17,615)
Interest received	521	584
Interest paid	(7,496)	(7,496)
Other cashflows	6,648	3,633
	21,903	15,161

41 Cashflow Statement – Investing Activities

The cash flows for investing activities are as follows:

(£000s)	2013/14	2012/13
Purchase of property, plant and equipment, investment property and intangible assets	(19,676)	(16,246)
Purchase of short-term and long-term investments	(222,780)	(141,490)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	7,461	4,578
Proceeds from short-term and long-term investments	207,922	140,612
Other receipts from investing activities	2,190	3,555
	(24,883)	(8,991)

Notes to the Main Financial Statements

42 Cashflow Statement – Financing Activities

(£000s)	2013/14	2012/13
Other receipts from financing activities	1,819	(3,217)
Net cash flows from financing activities	1,819	(3,217)

Other receipts from financing activities reflect movements in the cash collected for Non-Domestic Rates and Council Tax collected by the Council as an agent for others.

43 Prior Period Adjustments

HRA Dwelling Revaluation Losses

The accounting entries in respect of HRA dwelling revaluation losses in 2012/13 have been reviewed. As a result of this review a net credit of £4,171,000 is required to other HRA gross expenditure as reported in the Comprehensive Income and Expenditure Statement in respect of revaluation losses which should have been debited to the revaluation reserve.

Change to Accounting Standards - IAS19 – Employee Benefits

The *2013/14 Local Authority Accounting Code of Practice* introduced some changes in accounting for pensions as a result of amendments made to IAS19 on Employee Benefits.

The standard renames the actuarial gains and losses included in 'other comprehensive income and expenditure' as 'remeasurements' and a net interest expense is recognised in the Income and Expenditure Statement as a financing cost. The interest expense is calculated by applying the discount rate to the net defined benefit liability. This single charge replaces the finance charge and expected return on plan assets previously used.

The changes to IAS19 have no impact on the overall pension liability as at 31 March 2013 as previously reported.

There are also revised disclosure requirements for pensions, including a more detailed analysis of the breakdown of the pension scheme assets. These revised requirements are reflected in Note 39.

Notes to the Main Financial Statements

The effect of the revaluation and pension adjustments on the comparative 2012/13 accounts can be summarised as follows:

(£000s)	As previously stated	Restated
Effect on Comprehensive Income and Expenditure Statement:		
Gross Expenditure on HRA Services	33,259	29,088
Financing and Investment Income:		
Expenditure	19,001	12,801
Income	(18,244)	(11,010)
Other Comprehensive Income and Expenditure:		
Surplus on revaluation of Property, Plant & Equipment Assets	(11,222)	(7,051)
Remeasurements of the net defined pension liability (previously described as actuarial gains and losses)	11,138	10,104
Movement in Reserves Statement:		
(Surplus) / Deficit on the Provision of General Fund Services	5,510	6,544
(Surplus) / Deficit on the Provision of HRA Services	2,806	(1,365)
Other Comprehensive Income and Expenditure	(84)	5,179
Adjustments between accounting basis and funding basis for the General Fund	(4,577)	(5,611)
Adjustments between accounting basis and funding basis for the HRA	(2,718)	1,453
Unusable Reserves (Note 35)		
Revaluation Reserve	(52,190)	(48,019)
Capital Adjustment Account	(466,571)	(470,742)

The comparative figures in other notes to the accounts, including notes 4, 9, 16 and 39 have been adjusted as necessary, together with the HRA statement. These restatements have no effect on the balance on the General Fund or HRA as at 31 March 2013 as previously reported.

Reclassification - receipts in advance – housing tenants and leaseholders

Receipts in advance in respect of housing tenants and leaseholders were previously shown within creditors. The prior year comparatives for 31 March 2013 of £640,000 and 1 April 2012 of £619,000 have been reclassified from creditors to receipts in advance.

44 Impact of the adoption of new accounting standards on the financial statements – effective for the 2014/15 financial year

The 2014/15 Local Authority Accounting Code of Practice (the 2014/15 Code) includes a number of changes resulting from new and revised arrangements in respect of the accounting for groups, joint arrangements and disclosure of involvement in other entities. The changes in the 2014/15 Code result from these standards:

IFRS10 Consolidated Financial Statements

IFRS11 Joint Arrangements

IFRS12 Disclosures of Involvements with Other Entities

IAS27 Separate Financial Statements and IAS28 Investments in Associates and Joint Ventures

The Council does not currently prepare group accounts and does not expect material amendments to the financial statements as published in 2013/14 as a result of the changes in the 2014/15 Code.

The 2014/15 Code also introduces changes resulting from *IAS32 Financial Instruments Presentation* and *IAS1 Presentation of Financial Statements*. These amendments are not expected to lead to significant changes to the Statement of Accounts.

45 Date the Statement of Accounts were authorised for issue

The unaudited accounts were authorised for issue by the Council's Section 151 officer on yy September 2014. This is the date up to which events after the balance sheet date have been considered.

Additional Financial Statements and Information

Additional Financial Statements and Information

Housing Revenue Account Income and Expenditure Account

This statement sets out details of the income and expenditure in relation to the provision of Council dwellings.

(£000s)	Note	2013/14	2012/13 (as restated)
Income			
Dwelling rents	2	(34,175)	(32,817)
Non-dwelling rents		(689)	(655)
Charges for services and facilities		(2,801)	(2,672)
Contributions towards expenditure		(478)	(477)
Reimbursement of costs		(19)	(21)
Total		(38,162)	(36,642)
Expenditure			
Repairs & Maintenance		6,060	7,680
Supervision & Management		6,536	6,369
Rents, rates, taxes & other charges		370	251
Depreciation & impairment of non-current assets		4,290	14,727
Negative HRA Subsidy	3	0	(12)
Increased provision for bad debts		125	73
Debt Management Costs		0	0
Total		17,381	29,088
Net cost of HRA Services as included in the Comprehensive Income and Expenditure Statement		(20,781)	(7,554)
HRA services share of Corporate and Democratic Core		295	180
HRA services share of Non Distributed Costs		0	43
Net Cost of HRA Services		(20,486)	(7,331)
HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement			
(Surplus) or deficit on sale of HRA non-current assets		(1,521)	(742)
Other income		0	(13)
Impairment (gains)/losses on assets held for sale		(17)	17
Interest payable on PWLB loans		7,494	7,494
Interest and Investment Income		(1,246)	(474)
Capital Grants and Contributions Receivable		(549)	(316)
(Surplus) / Deficit for the year on HRA services		(16,325)	(1,365)

Additional Financial Statements and Information

Statement of Movement on the Housing Revenue Account Balance

(£000s)	Note	2013/14	2012/13 (as restated)
(Surplus) / Deficit for the year on the HRA Income and Expenditure Account		(16,325)	(1,365)
Adjustments between accounting basis and funding basis under statute			
Gain on sale of non-current assets		1,521	742
Other capital receipts		0	13
Impairment gain/(loss) on assets held for sale		17	(17)
Net revaluation gains/(losses) on property, plant and equipment		6,734	(4,020)
Revenue expenditure funded from capital under statute and de-minimus capital expenditure		(404)	(116)
Capital Contributions unapplied credited to the Comprehensive Income and Expenditure Statement		549	316
Application of grants to capital financing transferred to the Capital Adjustment Account		0	0
Movement in investment property value		756	15
Movement in short term accumulating absences		(1)	0
Net charges made for retirement benefits made in accordance with IAS19		(1,018)	(766)
Employers Contributions payable to the Cambridgeshire County Council Pension Fund		858	787
Difference between amortisation of debt redemption premium determined in accordance with the Code and those determined in accordance with statute	5	0	301
Sums to be debited or credited to the HRA that are not income or expenditure in accordance with GAAP		6	10
Capital Expenditure funded by the Housing Revenue Account	8	6,406	7,447
Transfer from the Major Repairs Reserve	10	(2,941)	(3,259)
Net (increase) / decrease before transfers to or from reserves		(3,842)	88
Transfers to reserves		457	1,391
Total movement on Housing Revenue Account for the year		(3,385)	1,479
Housing Revenue Account balance brought forward		(5,495)	(6,974)
Housing Revenue Account balance carried forward		(8,880)	(5,495)

Additional Financial Statements and Information

Notes to the Housing Revenue Account

1 Introduction

The Local Government and Housing Act 1989 set the framework within which the HRA operates. The account is 'ringfenced', meaning that authorities do not have discretion to fund any HRA deficits from the General Fund. Transfers from the General Fund can only be made at the direction of the Secretary of State.

2 Gross Rent

This represents income receivable in respect of all dwellings within the HRA, gross of rent rebates and net of rents not payable when properties are empty. As at 31 March 2014, 2.5% of properties were vacant (2.1% at 31 March 2013).

The average rent payable in 2013/14 was £100.46 per week based on 49 payable rent weeks (£92.88 per week on a 53 week basis). The average rent payable in 2012/13 was £94.69 per week based on 48 payable rent weeks (£87.41 per week on a 52 week basis).

3 Housing Revenue Account Subsidy Payable

Following the introduction of Self-Financing for the Housing Revenue Account from April 2012, the Council is no longer required to pay Housing Revenue Account Subsidy to Central Government to match the surplus on the notional HRA.

There were therefore no transactions in 2013/14, and those made in 2012/13 related solely to any retrospective adjustments in respect of subsidy payable for 2011/12.

4 Asset Values within the HRA

(£000s)	Asset Values		Depreciation	
	31 March 2014	1 April 2013	2013/14	2012/13
Dwellings	497,772	486,503	10,382	10,478
Other Land and Buildings	7,749	9,267	124	118
Infrastructure	1,276	1,005	27	26
Vehicles, Plant and Equipment	187	0	0	0
Investment Properties	5,193	4,423	0	0
Assets held for sale – long term	0	230	0	0
Assets held for sale - current	1,368	841	0	0
Surplus Assets	5,109	4,148	86	0
Assets in the course of construction	3,761	1,925	0	0
	522,415	508,342	10,619	10,622

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The value of council dwellings at 1 April 2013, based on vacant possession, was £1,247 million (1 April 2012: £1,261 million). Vacant possession value is the estimate of the total sum that would be received if all the dwellings were sold on the open market. The balance sheet value is calculated on the basis of rents receivable on existing tenancies. These are less than the rent that would be obtainable on the open market, and the balance sheet value is therefore lower than the vacant possession valuation. The difference between the two values shows the economic cost of providing housing at less than market value.

Net revaluation loss reversals on Property, Plant and Equipment of £6.7 million have been credited to the Comprehensive Income and Expenditure Statement in 2013/14 (net revaluation losses charged of £4.0 million in 2012/13). Remaining valuation movements in the value of property, plant and equipment have been charged to the revaluation reserve.

An impairment loss of £17,000 has been reversed and credited to the HRA in respect of land at Latimer Close.

De-minimis capital expenditure of £404,000 (2012/13 £116,000) has been charged to revenue during 2013/14.

5 Loan Interest Charges

The Council made an HRA self-financing settlement payment of £213.6 million on 28 March 2012. To meet this payment the Council took out a number of long-term maturity loans with the Public Works Loan Board (PWLB).

Under HRA self-financing the Council has adopted a 'two-pool' approach so that HRA self-financing loans and the resultant interest are directly attributable to the HRA. This has led to external interest charges of £7,494,000 being charged to the HRA in 2013/14 (£7,494,000 in 2012/13).

Additional Financial Statements and Information

6 Housing Stock

The Council was responsible for an average stock of 7,239 dwellings during the year. The stock as at 31 March 2014 was as follows:-

	31 March 2014	31 March 2013
Houses & bungalows	3,621	3,658
Flats	2,917	2,966
Sheltered housing units	507	520
Shared ownership properties	39	39
Total	7,084	7,183
The change in stock during the year can be summarised as follows:		
Stock at 1 April	7,274	7,320
Right to buy sales	(60)	(41)
Open market disposals	(1)	0
Net shared ownership changes	(0)	(1)
New properties	33	2
Other changes	1	(6)
Demolitions	(44)	0
Stock as at 31 March	7,203	7,274
Vacant awaiting re-development/disposal	(119)	(91)
Lettable Stock at 31 March	7,084	7,183

Those properties which are vacant awaiting demolition or significant redevelopment are no longer treated as lettable HRA dwellings and are therefore included in Property, Plant and Equipment as Other Land and Buildings, or as Assets Held for Sale as appropriate.

7 Rent Arrears

Rent arrears at 31 March 2014 were £1,587,742 (£1,523,287 at 31 March 2013) and as a proportion of gross rent income have decreased marginally from 4.30% in 2012/13 to 4.29% in 2013/14.

At 31 March 2014 a provision for bad debt of £1,259,257 was held in the balance sheet (£1,204,518 at 31 March 2013).

Additional Financial Statements and Information

8 Financing of Capital Expenditure

(£000s)	2013/14	2012/13
Capital receipts	1,850	362
Major repairs reserve	7,870	3,424
Revenue financing of capital	6,406	7,447
Capital contributions and grants	549	306
	16,675	11,539

Capital expenditure in the year was all in relation to HRA stock apart from £296,000 (£79,000 in 2012/13) which was spent on HRA infrastructure assets, £0 on other land and buildings (£270,000 in 2012/13), £13,000 on investment properties (£0 in 2012/13), £119,000 on vehicles, plant and equipment (£0 in 2012/13) and £3,372,000 (£1,172,000 in 2012/13) on assets in the course of construction.

9 Capital receipts within the HRA

(£000s)	2013/14	2012/13
Dwellings	6,106	4,441
Land	1,500	13
	7,606	4,454

10 Major Repairs Reserve (MRR)

(£000s)	2013/14	2012/13
Balance at 1 April	(5,111)	(1,171)
Transfer to MRR during the year	(10,619)	(10,623)
Amount transferred from MRR to HRA	2,941	3,259
HRA capital expenditure on housing charged to MRR	7,870	3,424
Balance at 31 March	(4,919)	(5,111)

11 Contributions from the Pensions Reserve

The Housing Revenue Account is charged with an attributable share of current service costs in line with IAS19. The difference between this cost and employer contributions payable is then appropriated from the pensions reserve so that the overall amount to be met from rent and government subsidy reflects employer contributions payable by the Council.

12 Prior Period Adjustments

The prior period figure for depreciation and impairment of non-current assets has been restated as detailed in Note 43 to the main statement of accounts. This restatement has no impact on the balance on HRA reserves as previously stated.

Additional Financial Statements and Information

Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

(£000s)	Note	2013/14		2012/13	
		Council Tax	Non-domestic rates	Council Tax	Non-domestic rates (as restated)
Council Tax Income					
Council Tax	2	(57,416)	0	(60,238)	0
Contributions towards previous year's estimated Collection Fund deficit					
Cambridge City Council		(140)	0	(87)	0
Cambridgeshire County Council		(895)	0	(548)	0
Cambridgeshire Police & Crime Commissioner		(145)	0	(89)	0
Cambridgeshire Fire Authority		(50)	0	(30)	0
Non-domestic rates Income	3	0	(93,851)	0	(90,365)
Total Income		(58,646)	(93,851)	(60,992)	(90,635)
Council Tax Expenditure					
Council Tax Precepts and Demands					
Cambridge City Council		6,394	0	6,831	0
Cambridgeshire County Council		41,397	0	44,238	0
Cambridgeshire Police & Crime Commissioner		6,696	0	7,157	0
Cambridgeshire Fire Authority		2,418	0	2,432	0
Impairment of Council Tax debts	4	268	0	331	0
Non-domestic rates Expenditure					
Share of non-domestic rates					
Cambridge City Council		0	37,309	0	0
Cambridgeshire County Council		0	8,394	0	0
Cambridgeshire Fire Authority		0	933	0	0
Non-domestic rates due to central government		0	46,636	0	89,496
Transitional protection payments		0	454	0	0
Impairment of non-domestic rates debts	5	0	315	0	638
Provision for non-domestic rates appeals	5	0	8,095	0	0
Allowable costs of non-domestic Rates Collection		0	227	0	231
Total Expenditure		57,173	102,363	60,989	90,365
(Surplus)/Deficit for the year		(1,473)	8,512	(3)	0
(Surplus)/Deficit as at 1 April		1,381	0	1,384	0
(Surplus)/Deficit as at 31 March	6	(92)	8,512	1,381	0

Additional Financial Statements and Information

Notes to the Collection Fund

1 General

This statement shows the transactions of the Collection Fund, a statutory fund separate from the General Fund of the Council. The Collection Fund accounts for income relating to Council Tax and non-domestic rates on behalf of those bodies (including the Council's own General Fund) for whom the income has been raised. The costs of collection are accounted for in the General Fund.

2 Council Tax

Under the arrangements for Council Tax, each domestic property within the Council's area is assigned to one of eight 'valuation bands' (A to H) based on the estimated price it would have achieved if it had been sold at 1 April 1991. The Council Tax is set for band D properties and the tax for other bands is calculated as a proportion of the band D tax. The band D Council Tax for the year ended 31 March 2014 was set at £1,512.16, made up as follows:

(£000s)	2013/14	2012/13
Cambridge City Council	169.90	166.57
Cambridgeshire County Council	1,100.07	1,078.65
Cambridgeshire Police & Crime Commissioner	177.93	174.51
Cambridgeshire Fire Authority	64.26	59.31
Total	1,512.16	1,479.04

The following table shows the calculation of the Council Tax Base for 2013/14 (used to determine the tax needed at Band D to finance spending).

Council Tax Base 2013/14

Valuation Band	Total number of dwellings on the Valuation List	Total Equivalent Dwellings (after discounts, exemptions etc)	Ratio to Band D	Band D Equivalents
A	2,980	2,185	6/9	1,457
B	9,574	7,625	7/9	5,931
C	17,641	15,097	8/9	13,419
D	8,621	7,329	9/9	7,328
E	4,942	4,237	11/9	5,179
F	3,100	2,655	13/9	3,835
G	2,845	2,310	15/9	3,850
H	446	256	18/9	513
Total	50,149	41,694		41,512

Additional Financial Statements and Information

The income of £57.4 million in 2013/14 was receivable from the following sources:

(£000s)	2013/14	2012/13
Billed to Council Tax payers	57,421	53,875
Council Tax benefits	(32)	6,337
Ministry of Defence Contributions in Lieu	27	26
Total	57,416	60,238

3 National Non-Domestic Rates Income

The local rateable value as at 31 March 2014 was £257,745,401 (£255,874,011 at 31 March 2013) and the Uniform Business Rate in 2013/14 was set by the government at 47.1p (2012/13, 45.8p).

4 Provision for Non-Payment - Council Tax

A contribution of £267,768 (£331,457 in 2012/13) was made to a provision for bad debts. During 2013/14, £2,057 of previously irrecoverable debts written off were written back (2012/13 a write off of £1,843).

5 Provision for Non-Payment and appeals - Non-Domestic Rates

A contribution of £57,899 (a reduction of £196,834 in 2012/13) was made to a provision for bad debts. Irrecoverable debts of £256,945 (£834,640 in 2012/13) were written off.

A provision for appeals relating to rateable value reductions in respect of 2013/14 and prior years has been established following the introduction of the new business rates retention scheme for local government. At 31 March 2014 this provision is £8,094,925.

6 Collection Fund Surpluses and Deficits

The surplus of £92,275 at 31 March 2014 (£1,381,288 deficit at 31 March 2013), which related to Council Tax, will be redistributed in subsequent financial years to Cambridgeshire County Council, Cambridgeshire Police and Fire Authorities and the Council in proportion to their shares of the total Council Tax raised.

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The total Council Tax Collection Fund surplus is therefore shared as follows:

(£000s)	31 March 2014	31 March 2013
Council Tax:		
Cambridge City Council	(10)	157
Cambridgeshire County Council	(68)	1,005
Cambridgeshire Police & Crime Commissioner	(11)	163
Cambridgeshire Fire Authority	(3)	56
	(92)	1,381

The deficit of £8,094,925 at 31 March 2014 in respect of non-domestic rates will be recovered in subsequent financial years from Cambridgeshire County Council, Cambridgeshire Fire Authority, Central Government and the Council in proportion to their shares of business rates income.

The total non-domestic rates deficit is therefore shared as follows:

(£000s)	31 March 2014	31 March 2013
Non-Domestic Rates:		
Cambridge City Council	3,405	0
Cambridgeshire County Council	766	0
Cambridgeshire Fire Authority	85	0
Central Government	4,256	0
	8,512	0

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Statement of Accounting Policies

1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2013/14 financial year and its position at the year-end of 31 March 2014. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2011, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and the Service Reporting Code of Practice 2013/14, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including those rendered by the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Where the Council is acting as an agent for another party (e.g. in the collection of non-domestic rates and council tax), income and expenditure are recognised only to the extent that commission is receivable by the Council for the agency services rendered or the Council incurs expenses directly on its own behalf in rendering the services.

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3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that are convertible to known amounts of cash with an insignificant risk of change in value (no loss of interest). The Council therefore treats all fixed term deposits, which have no contractual provision for early redemption, and if they were redeemed early would suffer a penalty of at least a loss of interest, as investments.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

4 Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively, ie, in the current and future years affected by the change.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

5 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. This provision, known as Minimum Revenue Provision (MRP), is equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two. No MRP is currently charged as the debt acquired in relation to HRA self-financing is outside the scope of this regime.

The provisions for charges to revenue for non-current assets in the HRA were amended on 1 April 2012 following the introduction of HRA self-financing. The Major Repairs Reserve is credited and the HRA balance is debited with a sum equal to depreciation on all HRA non-current assets. The

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HRA balance is credited and the Capital Adjustment Account debited with the depreciation charged on dwelling assets so that the depreciation on non-dwelling assets is now a charge to the HRA.

6 Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, flexi-leave and time off in lieu for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring..

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners.

Post-Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme, administered by Cambridgeshire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Cambridgeshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

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- Liabilities are discounted to their value at current prices, using a discount rate of 4.3% (based on the yields of the constituents of the iBoxx £ Corporates AA index and the Council's weighted average duration).
- The assets of the Cambridgeshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Unitised securities – current bid price
 - Property – market value
- The change in the net pensions liability is analysed into the following components:
 - Service Cost comprising:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
 - Net Interest on the net defined benefit liability – ie the net interest expense for the Council. This is the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
 - Remeasurements comprising:
 - The return on plan assets excluding amounts included in net interest on the net defined benefit liability. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Contributions paid to the Cambridge City Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the

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year-end. The balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows than as benefits are earned by employees.

7 Events after the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Statement of Account.

8 Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the account.

9 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

This means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the

Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

10 Financial Assets

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments

The Council currently only has assets classified as ‘loans and receivables.’

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are then measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

The Council has made interest-free loans for private sector housing improvements (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a change made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

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11 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments, and
- The grants or contributions will be received

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as receipts in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

12 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licence) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are

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posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

13 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the first-in first-out (FIFO) costing formula.

14 Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at a cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated, but assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

15 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee and the fair value of the property, plant or equipment at lease inception is above the Council's de-minimis levels of £2,000 for vehicles and £15,000 for other items. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore replaced by revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the

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Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease liability (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

16 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA *Service Reporting Code of Practice 2013/14* (SERCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on surplus assets in Property, Plant and Equipment.

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These two cost categories are defined in SERCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

17 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

A de-minimis level of £2,000 has been adopted for vehicles and £15,000 for all other items. Assets that cost less than these limits are classified as revenue, rather than capital expenditure.

The Council is paying 7% of the infrastructure costs of Clay Farm, which is being developed for housing, net of the contributions made towards these costs by affordable housing providers. The Council is paying the infrastructure costs gross and receiving a credit in relation to the contribution made by affordable housing providers separately. The Council accounts for 93% of the gross costs as an enhancement to its land, recognising a net debtor or receipt in advance at the end of each financial year dependant on the credits received in respect of affordable housing providers. The Council does not consider the accounting for these costs net of affordable housing contributions leads to any material misstatement.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance and therefore will not increase the cash flows of the Council. In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where

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gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- All other assets – fair value, determined the amount that would be paid for the asset in its existing use (existing use – EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service.

Where decreases in value are identified, the revaluation loss is accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

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- Where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower end of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. Housing sold under the Right to Buy legislation is not reclassified as Assets Held for Sale as its primary purpose remains as a dwelling until the point of disposal and it is only considered significantly more likely than probable that a disposal will actually occur very close to the disposal itself. The carrying value of housing sold under right to buy remains the same as if it had been transferred to assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets

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without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer
- Infrastructure – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

18 Heritage Assets

Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture.

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

Civic Regalia

The collection of civic regalia includes ceremonial maces, chains of office and other civic items. These items are reported in the balance sheet at insurance valuation which is based on market values. These valuations are reviewed regularly to ensure that they are current. These items are deemed to have indeterminate lives and high residual values so the Council does not consider it appropriate to charge depreciation.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example where there is physical deterioration, breakage or doubts as to authenticity. Any impairment is recognised and measured in accordance with the Council's general policy on impairment of non-current assets.

The Council does not normally make any purchases or disposals of these items. Further information on the most significant items in the collection can be found on the Council's website.

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19 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

20 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus/deficit on the

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provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the Council – these reserves are explained in the relevant policies.

21 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

22 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

23 Foreign Exchange Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate on the date that the transaction was effective. Where amounts in foreign currency are outstanding at the year end they are converted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

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Accounting Period

The period of time covered by the accounts, normally 12 months commencing on 1 April for local authorities.

Accruals

Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which payment has not been made/received at the balance sheet date.

Amortisation

A measure of the consumption of the value of intangible assets, based on the remaining economic life.

Capital Expenditure

Expenditure on new assets such as land and buildings, or on enhancements to existing assets which significantly prolong their useful life or increase their value.

Capital Receipt

Income from the sale of capital assets such as council houses, land or other buildings.

Cash Equivalents

Cash equivalents are investments that mature in 30 days or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Contingent Liabilities

Potential liabilities which are either dependent on a future event or cannot be reliably estimated.

Creditors

Amounts owed by the Council at 31 March for goods received or services rendered but not yet paid for.

Current Assets

Assets which can be expected to be consumed or realised during the next accounting period.

Current Liabilities

Amounts which will become due or could be called upon during the next accounting period.

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Debtors

Amounts owed to the Council which are collectable or outstanding at 31 March.

Depreciation

A measure of the consumption of the value of non-current assets, based on the remaining economic life.

Effective rate of interest

The rate of interest that will discount the estimated cash flows over the life of a financial instrument to the amount in the balance sheet at initial measurement.

Equity instrument

A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities (e.g. an equity share in a company.)

Fair Value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

Financial Asset

A right to future economic benefits controlled by the Council. Examples include bank deposits, investments, trade receivables and loans receivable.

Financial Liability

An obligation to transfer economic benefits controlled by the Council. Examples include borrowings, financial guarantees and amounts owed to trade creditors.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Government Grants

Payments by central government towards local council expenditure. They may be specific, for example Housing Benefit subsidy, or general such as Revenue Support Grant.

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Heritage Assets

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture.

Impairment

The term used where the estimated recoverable amount from an asset is less than the amortised cost at which the asset is being carried on the balance sheet.

Non-current assets

Assets which can be expected to be of use or benefit the Council in providing its service for more than one accounting period.

Operating Lease

A lease under which the ownership of the asset remains with the lessor; for practical purposes it is equivalent to contract hiring.

Outturn

Refers to actual income and expenditure or balances as opposed to budgeted amounts.

Precepts

The amount which a local council which cannot levy a council tax directly on the public (for example a County Council or Police Authority) requires to be collected on its behalf.

Provisions

Monies set aside for liabilities which are likely to be incurred but where exact amounts or dates are uncertain.

Reserves

Amounts set aside in the accounts for the purpose of meeting particular future expenditure. A distinction is drawn between reserves and provisions which are set up to meet known liabilities.

Revenue Expenditure

Spending on day to day items including employees' pay, premises costs and supplies and services.

Revenue Expenditure Funded From Capital Under Statute

Expenditure which legislation allows to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a non-current asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to the General Fund and impact on that year's council tax.

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Revenue Support Grant

Grant paid by central government to a local council towards the costs of its services.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom 2013/14. This specifies the principals and practices of accounting required to give a 'true and fair' view of the financial position and transactions of a local authority.

Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

Abbreviations used in the accounts

CIPFA	Chartered Institute of Public Finance and Accountancy
GAAP	Generally Accepted Accounting Practice
HRA	Housing Revenue Account
IAS	International Accounting Standard
IFRS	International Financial Reporting Standard
LAAP	Local Authority Accounting Panel
LGPS	Local Government Pension Scheme
MRP	Minimum Revenue Provision
NNDR	National Non-Domestic Rates
SERCOP	Service Reporting Code of Practice
SOLACE	Society of Local Authority Chief Executives and Senior Managers

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Appendix B



Mark Hodgson
Ernst & Young LLP
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17 September 2014

Dear Mr Hodgson

Cambridge City Council - Audit for the 2013/14 year ended 31 March 2014

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers and members of Cambridge City Council, the following representations given to you in connection with your audit of Cambridge City Council's financial statements for the 2013/14 year ended 31 March 2014. All representations cover the Authority's accounts included within the financial statements.

Financial Statements and Financial Records

I have fulfilled my responsibility, under the relevant statutory authorities, for preparation of the financial statements in accordance with the CIPFA Code of Practice on Local Authority Accounting (CIPFA Code).

I acknowledge my responsibility for the fair presentation of the financial statements. I believe that the financial statements give a true and fair view of the financial position, financial performance and cash flows of the Council in accordance with the CIPFA Code and are free of material misstatements, including omissions. I have approved the financial statements.

I have reviewed the accounts, reviewed all relevant written assurances relating to the accounts and made other enquiries as appropriate.

The significant accounting policies adopted in the preparation of the financial statements are appropriately described within them.

I believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA Code that are free from material misstatement, whether due to fraud or error.

Fraud

I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

I confirm that I have disclosed the results of our assessment of the risk the financial statements may be materially misstated as a result of fraud.

I have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Council's internal controls over financial reporting. In addition, I have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. I have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Council.

Compliance with Laws and Regulations

I have disclosed to you all known actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Information Provided and Completeness of Information and Transactions

The Council has provided:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement;
- Additional information as requested for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All material transactions have been recorded in the accounting records and are reflected in the financial statements.

All minutes of the meetings of the Council and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting held on 17 September 2014.

I confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Council's related parties

and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

I have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of outstanding debt.

Liabilities and Contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

I have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

I have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees given to third parties.

Subsequent events

Other than described in the financial statements, there have been no events subsequent to the period end which require adjustment or disclosure in the financial statements or notes thereto.

Accounting Estimates

I believe that the significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

In respect of accounting estimates recognised or disclosed in the financial statements:

- The measurement processes, including related assumptions and models, used in determining accounting estimates are appropriate and the application of these processes is consistent.
- The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.

- The assumptions used in making accounting estimates appropriately reflects the intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
- No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

Going Concern

I am not aware of any issues that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

Signed on behalf of Cambridge City Council

I confirm that this letter has been discussed and agreed by the Civic Affairs Committee of Cambridge City Council on 17 September 2014.

Signed :

Signed :

Caroline Ryba

Councillor R McPherson

Head of Finance

Chair of Civic Affairs Committee

Date :

Date :



ANNUAL REPORT AND SUMMARY STATEMENT OF ACCOUNTS

**FOR THE YEAR ENDING
31 MARCH 2014**

DRAFT

This document is available on our website at www.cambridge.gov.uk

Annual Report 2013/14

Cambridge City Council continues to provide a wide range of services to people that live in, work in and visit Cambridge.

The services provided by the City Council include:

- ◆ Keeping the streets and public open spaces clean.
- ◆ Emptying refuse and recycling bins.
- ◆ Providing a range of leisure facilities, including swimming pools and community centres, and providing entertainment in the City's parks and at the Corn Exchange.
- ◆ Awarding a wide range of grants to support local organisations and community groups.
- ◆ Providing a wide range of play activities for children and young people.
- ◆ Developing a new local plan for Cambridge to guide development to 2031. Offering planning advice, progressing planning applications and making sure that new buildings and alterations are safe.
- ◆ Providing housing advice and support, and working with partners to meet peoples' housing needs.
- ◆ Acting as landlord to over 7,000 council-owned properties.
- ◆ Processing housing benefit and council tax support applications.
- ◆ Monitoring and enforcing food and drink hygiene standards, together with noise and air pollution.
- ◆ Licensing food premises, street traders and entertainment venues.
- ◆ Addressing anti-social behaviour, in partnership with the Police and other agencies.
- ◆ Managing council run car parks.
- ◆ Organising and managing elections and the electoral register.
- ◆ Council tax and business rate administration.

The City Council serves a population of about 125,500 residents in an almost entirely urban area in an otherwise mainly rural county. Cambridge is a sub-regional centre with high levels of inward travel to work and for shopping and leisure activities, which adds significantly to the day-time population. The Council provides many services that are used by people who live outside of the city as well as residents, which places additional pressure on our resources.

The city is at the centre of a housing growth region, with many new homes planned for sites on the southern and north-west fringes of Cambridge. The provision of good quality affordable and sustainable housing is a priority for the Council and it has set a target for developers of 40% affordable housing to be provided on all new residential sites, including the larger growth sites.

What we want to achieve

Cambridge City Council's vision guides everything we do. For 2013/14 our vision statement, which is shared with Cambridge citizens and partner organisations, was:

Vision Statement

Cambridge - where people matter

- ◆ A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing
- ◆ A city whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives
- ◆ A city where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all

Cambridge - a good place to live, learn and work

- ◆ A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities
- ◆ A city which draws inspiration from its iconic historic centre and achieves a sense of place in all of its parts with generous urban open spaces and well- designed buildings
- ◆ A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery
- ◆ A city where getting around is primarily by public transport, bike and on foot

Cambridge - caring for the planet

- ◆ A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution.

How we will achieve our vision for Cambridge

Portfolio Plans

The Executive is made up of the Leader of the Council and six Executive Councillors. Each Executive Councillor is responsible for a specific group of services, known as a portfolio, and they can make decisions about the services they are responsible for. The 2013/14 Portfolios were:

- Community Wellbeing
- Customer Services and Resources
- Environmental and Waste Services
- Housing
- Planning and Climate Change
- Public Places
- Strategy

Each Executive Councillor has a Portfolio Plan that sets out how the services they are responsible for will contribute to the achievement of the council's vision for Cambridge. The following pages outline what we achieved over the past year as a result of our 2013/14 Portfolio Plans.

Further information about the Council's performance and its priorities for 2014/15 can be found on our website at: <https://www.cambridge.gov.uk/portfolio-plans>

Community Wellbeing

During 2013/14 we:

- ◆ Carried out essential improvements to the Corn Exchange and Guildhall Halls and improved their marketing as part of the first year of a three year business plan to increase revenue from the number and type of events held.
- ◆ Awarded a new seven year leisure management contract.
- ◆ Organised activities with partners to celebrate the 150th Anniversary of the Football Association and 400th Anniversary of Parkers Piece during the Big Weekend.
- ◆ Developed the role of the Cambridge Arts Network to better coordinate and promote the city's arts and culture offer and improve opportunity for networking and support amongst arts providers and practitioners.
- ◆ Produced a new three-year plan for Sport & Physical Activity.
- ◆ Planned and coordinated multi-agency arrangements for the Tour de France: Grand Depart third leg start from Cambridge to London.
- ◆ Delivered the first year of our plan for our Children and Young People's Participation Service (ChYpPS) and delivered our income target for the service.

Annual Report

- ◆ Delivered our plan for the future management of the Council's community facilities and achieved our savings target for the year. Continued to promote and manage a grants programme that supports the city's community and voluntary sector.
- ◆ Strengthened our community engagement work across the southern fringe growth sites and started to establish new community engagement structures across the north-west Cambridge growth sites.
- ◆ Involved stakeholders and residents in the design and future management arrangements for new community facilities at Clay Farm, the University site and NIAB1 and participated actively with partners to open new facilities at Trumpington Meadows.
- ◆ Supported plans for ultra-fast broadband coverage within the city area, as a part of the "Connecting Cambridgeshire" initiative.

Customer Services and Resources Portfolio Plan

During 2013/14 we:

- ◆ Completed upgrades to 1,000 desktops in the Council, transitioned to a new ICT support provider and joined a county wide private network, enabling sharing and cost savings.
- ◆ Explored further opportunities to work in collaboration, or share services with other public sector organisations, in order to create efficiencies or improve our resilience.
- ◆ Enabled more staff to work more flexibly and efficiently, by providing appropriate support in terms of buildings, technology and working practices.
- ◆ Sought to maximise the commercial return from the development of growth sites on the southern and north-eastern fringes of the city, subject to the Council's other objectives for these developments.
- ◆ Made preparations to improve electoral registration rates in the Cambridge City electoral area and for the implementation of Individual Electoral Registration.
- ◆ Implemented our Local Council Tax scheme as part of the government's welfare reforms, ensuring that the most vulnerable in the city are supported.
- ◆ Supported individuals affected by welfare reforms.
- ◆ Prepared the Council's own systems and liaised with partners, such as the Department of Work and Pensions, for the future implementation of welfare reforms.

Environment and Waste Portfolio Plan

During 2013/14 we:

- ◆ Put in place a programme of activities that increased the proportion of waste that is recycled in the city and installed additional recycling banks for textiles and small WEEE (waste, electrical and electronic equipment).

Annual Report

- ◆ Offered businesses incentives to use our recycling services to increase the proportion of commercial waste recycled.
- ◆ Set up a new commercial food waste collection service.
- ◆ Tendered for a county wide specification for a joint materials recycling facility contract.
- ◆ Delivered a programme of joint projects with partners in the RECAP Advanced Waste Partnership and targeted secondary schools on a waste prevention campaign.
- ◆ Reviewed cross-border refuse and recycling collection arrangements with South Cambridgeshire District Council to meet the needs of our new developments that straddle boundaries.
- ◆ Completed the “Cambridge Real Emissions” project with our partners to provide detailed evidence of air quality impacts of city centre transport options.
- ◆ Installed in-cab technology to our refuse trucks to improve services to our customers.

Housing Portfolio Plan

During 2013/14 we:

- ◆ Worked with developers, registered providers (housing associations) and planners to increase the city’s social and market housing stock. Over 300 new Affordable Housing dwellings were completed.
- ◆ Completed the redevelopment of Seymour Court to include the provision of 20 new homes for older people.
- ◆ Ensured that the current standard of building by registered providers is maintained in terms of size, construction and layout to at least level four of the Code for Sustainable Homes.
- ◆ Assessed the potential for the provision of additional gypsy and traveller sites as part of the development of the Local Plan, in discussion with South Cambridgeshire District Council and Cambridgeshire County Council.
- ◆ Completed our annual planned maintenance programme of works to maintain city homes to the best possible standard.
- ◆ Continued to take action against private sector landlords that do not comply with health and safety requirements or good tenant management.
- ◆ Provided housing advice to keep homelessness to a minimum and help prevent homelessness by offering early advice on alternative housing options.
- ◆ Increased the range of temporary housing available to minimise the impact on households that become homeless or threatened with homelessness.

Planning and Climate Change Portfolio Plan

During 2013/14 we:

- ◆ Took our emerging local plan through consultation and the key stages of our approach to the Community Infrastructure Levy and submitted the new local plan for examination by the Secretary of State.
- ◆ Took a leading role under the duty to co-operate in the delivery of the emerging strategic planning function at the sub-regional level
- ◆ Worked jointly with South Cambridgeshire District Council and Cambridgeshire County Council on the review of local plans and the County Transport Strategy.
- ◆ Implemented principles of the localism agenda relating to community engagement in the development plan process and neighbourhood planning responsibilities.
- ◆ Improved the performance and efficiency of our planning service, especially in the area of planning application processing.
- ◆ Worked closely with developers and other stakeholders to ensure that new developments are of a high design quality and environmentally sustainable and contribute positively to the character of the built and green space of the city.
- ◆ Continued to secure funding for a range of public art projects across the city.
- ◆ Adopted a tree strategy, in consultation with key stakeholders, that set out the council's overarching policy for the trees within the city and how they will be preserved for future generations.
- ◆ Took forward a joint programme with partner local authorities to deliver a Green Deal model for Cambridgeshire and secured £7.8 million in additional funding from central government.
- ◆ Continued to work with partners in the Cambridge Retrofit project towards a long-term approach for financing, monitoring and delivering energy efficiency improvements to existing properties in Cambridge.
- ◆ Delivered new transport measures and actions to improve facilities for pedestrians, cyclists and public transport users, including in the new developments in the city.
- ◆ Contributed to the review of area transport plans and proposed projects for investment, supporting the local process for bidding for new and implementing relevant funding sources.
- ◆ Put in place with our partners, additional new 20 mph zones in parts of the city .
- ◆ Delivered additional cycle parking places in accordance with our cycle parking project.

Annual Report

Public Places

During 2013/14 we:

- ◆ Developed a more commercial approach for our tourism service and made good progress in identifying a sustainable model of tourism that is less reliant on the Council.
- ◆ Supported the new Business Improvement District to deliver the projects set out in its business proposal.
- ◆ Developed our commemorations service to extend choices to the bereaved and made the service operate more efficiently.
- ◆ Increased the number of street and recycling bins and dog litter bins in the city.
- ◆ Worked with the police and PCSOs to take enforcement action against dog fouling following the introduction of dog control orders.
- ◆ Introduced a rapid response team to respond to environmental emergencies outside of the city centre.
- ◆ Continued to refurbish our public toilets and look at opportunities for providing community toilets.
- ◆ Delivered developer contribution-funded public arts projects that were prioritised by the Council's Area and Scrutiny Committees.
- ◆ Introduced a revised Tree Management Protocol that aligns with the Council's Area Committee decision-making cycle.

Strategy Portfolio Plan

During 2013/14 we:

- ◆ Contributed to continuing reductions in recorded incidents of anti-social behaviour.
- ◆ Reviewed the impact of our current interventions with the street life community and developed a refreshed action plan with our partners to work with vulnerable individuals.
- ◆ Gave victims a greater say in the solutions to anti-social behaviour and low level crime by increasing our referrals to Neighbourhood Resolution Panels.
- ◆ Secured on-going resources for our Community Safety Partnership to enable continued strong inter-agency sponsorship of projects.
- ◆ Worked with the Local Enterprise Partnership and others to support sustainable growth in the Greater Cambridge economy.
- ◆ Concluded negotiations for a City Deal for the Greater Cambridge sub-region with the Government, securing up to £500 million of new funding.

Annual Report

- ◆ Explored the potential for generating income from council services and the feasibility of sharing services with other partners in the public sector.
- ◆ Progressed an accommodation strategy for the council and its associated savings.

Summary Statement of Accounts

Introduction

The services provided by local councils affect everyone's quality of life. Money is needed to carry out the functions and services that the Council provides and the Council's accounts are an important element in demonstrating the stewardship of public money. They show the resources available and how they have been used to deliver everyday services to the City's residents, visitors, businesses and other organisations.

Each year, the Council is legally required to produce a Statement of Accounts that presents the Council's financial activities and gives details of the overall financial position, however, much of the information in the document is of a technical nature in order to satisfy statutory requirements.

The following Summary Accounts are intended to be a more user-friendly version of the detailed publication and to provide a brief overview of the Council's financial position for the year ending 31st March 2014.

Head of Finance's Statement

The Council's Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 based on International Financial Reporting Standards.

The figures in this summary were originally compiled having regard to proper accounting practice. To help make this summary easier to understand we have simplified the presentation of some figures.

The full 2013/14 Statement of Accounts has been audited by Ernst & Young who gave an unqualified audit opinion.

Caroline Ryba

A full copy of the Council's 2013/14 audited accounts is available on our website or from:

Head of Finance
Cambridge City Council
PO Box 700
Cambridge
CB1 0JH

The Council can also produce electronic or large print copies. We can arrange for a summary in Braille, on tape or in another language, although this will take longer.

Summary Statement of Accounts

Income and Expenditure

This statement shows the costs of providing services in the year.

The total expenditure incurred in running our services was £110.3 million. Service income, such as fees and charges was £100.7 million. The net cost of each service, totalling £9.6 million, is shown in the table below.

	£m
Central services to the public (elections, land charges and local tax collection)	1.6
Cultural & related services	10.2
Environmental & related services	8.2
Planning services	5.2
Transport	(2.1)
Council housing (Housing Revenue Account)	(20.8)
Other housing services	4.4
Corporate and democratic services	2.8
Non-distributed costs	0.1
Cost of Services	9.6
Payments to the Government Housing Capital Receipts Pool	1.0
Surplus or deficit on the sale of assets	(1.5)
Impairments on assets held for sale	0.1
Interest receivable	(0.7)
Interest payable	7.5
Revision to estimated recovery of Icelandic bank deposits	(0.3)
Net income from commercial and industrial properties and changes in their value	(10.4)
Net pensions interest cost and expected return on pensions assets	4.2
Council tax income	(6.4)
Business Rates Income	(1.6)
Non-ringfenced government grants	(9.7)
Capital grants and contributions	(11.4)
Net Deficit for the year	(19.6)

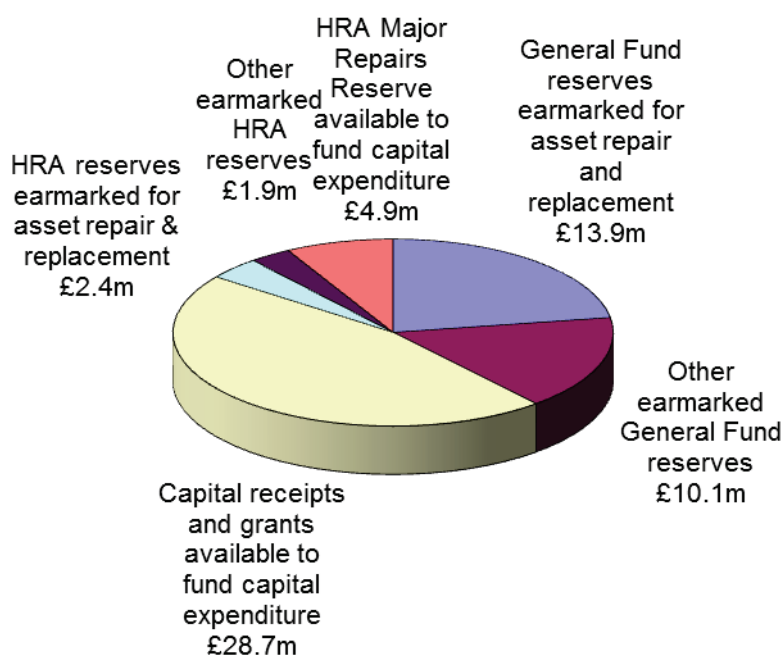
Summary Statement of Accounts

Movements in Usable Reserves

The Council's usable reserves increased by £19.6 million in 2013/14. Total usable reserves were £79.7 million at 31 March 2014, as shown below :

	General Fund Balance £m	Housing Revenue Account (HRA) Balance £m	Other Usable Reserves £m	Total Usable Reserves £m
Balance at 1 April 2013	(8.0)	(5.5)	(46.6)	(60.1)
(Surplus) or deficit on the provision of services	(3.3)	(16.3)		(19.6)
Adjustments between accounting basis and funding basis under regulations	(1.4)	12.5	(11.1)	0
Transfers to or (from) earmarked reserves	3.7	0.4	(4.1)	
Decrease or (Increase) in the year	(1.0)	(3.4)	(15.2)	(19.6)
Balance at 31 March 2014	(9.0)	(8.9)	(61.8)	(79.7)

Other usable reserves at 31 March 2014 comprised :



Summary Statement of Accounts

Balance Sheet

At the end of each financial year, we draw up a balance sheet that presents how much the Council's land and buildings are worth, what is owed to others (liabilities), what others owe us (debtors and investments) and how much cash and other reserves we have.

	Net Assets at 31 March 2014 £m
Value of land, property, equipment and vehicles	763.2
Long-term debtors and investments	7.1
Cash and short-term cash investments	76.7
Short term debtors	17.2
Short term land and property held for sale	4.5
Stock	0.3
Current liabilities	(21.5)
Long-term liabilities	(314.2)
Net Assets	533.3
Usable reserves	(79.7)
Unusable reserves	(453.6)
Total Reserves	(533.3)

Unusable reserves are not available to use to provide services. This category of reserves includes, for example, amounts which would only become available if the related assets were sold.

Cash Movements

The council handled significant amounts of cash during the year.

	2013/14 £m
Cash at 1 April 2013	7.7
Cash receipts	371.1
Cash payments	(372.2)
Cash at 31 March 2014	6.6

Summary Statement of Accounts

The detailed Statement of Accounts publication includes many notes of explanation and detailed analysis of figures in the main financial statements. A selection of the notes which may be of particular interest to the public have been summarised and are presented below.

Employee Remuneration

The numbers of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were :

	2012/13	2011/12
£50,000 to £54,999	1	3
£55,000 to £59,999	4	1
£60,000 to £64,999	5	9
£65,000 to £69,999	6	2
£70,000 to £74,999	3	4
£85,000 to £89,999	1	1
£90,000 to £94,999	1	2
£115,000 to £119,999	1	1
£135,000 to £139,999	1	0
Total	23	23

Summary Statement of Accounts

The remuneration of senior officers, who are included in the above table, is disclosed in more detail, including employer's pension contributions, below:

Senior Officers Remuneration 2013/14

(£) Position / Name	Note	Salary	Allowances & Benefits in Kind	Redundancy	Pension Contribution	Total
Chief Executive (A Jackson)		117,859	0	0	21,922	139,781
Director of Resources (D Horspool)	1	91,891	10	44,939	17,092	153,932
Director of Environment (S Payne)		88,646	0	0	16,488	105,134
Director of Customer & Community Services (L Bisset)		91,891	0	0	17,092	108,983
Director of Business Transformation (R Ward)	2	20,970	0	0	3,900	24,870
Head of Corporate Strategy (A Limb)		65,951	0	0	12,267	78,218

Notes:

The Director of Resources left the Council on 31 March 2014.

The Director of Business Transformation joined the Council on 6 January 2014.

Between February and July 2014 the Section 151 (Chief Financial Officer) role was undertaken by Alex Colyer, the Executive Director, Corporate Services and Chief Finance Officer of South Cambridgeshire District Council. The Council paid South Cambridgeshire £1,914 for this service in 2013/14.

Members Allowances

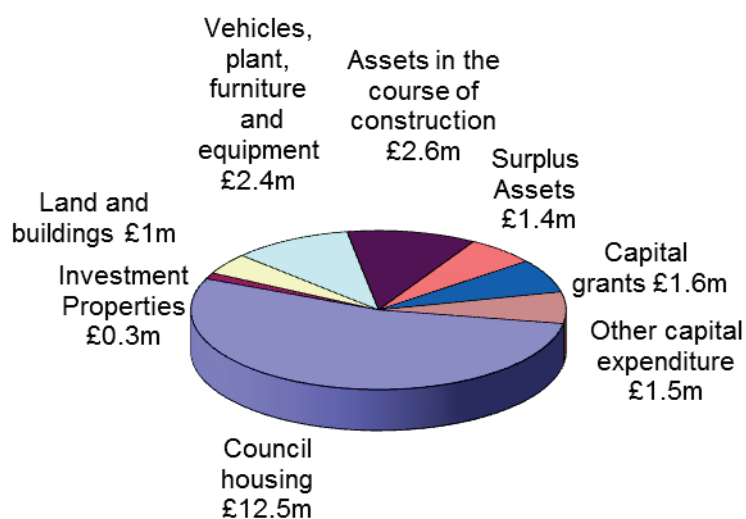
The total allowances paid to members during the financial year 2013/14 were £240,236 (£245,487 in 2012/13). Details of payments to individual members are published annually in a local newspaper. Additional civic responsibility payments were made to the Mayor and Deputy Mayor outside of the Members Allowances Scheme. These totalled £5,700 (£5,570 in 2012/13). Details can also be found on the Councillors pages on our website.

Summary Statement of Accounts

Capital Spending

We also spend money on buying assets and improving our council housing and other assets. We account for this type of expenditure separately from the day-to-day running costs of services.

Capital expenditure totalled £25.0 million in 2013/14.



This capital expenditure was financed as follows:

	£m
Capital receipts (from sale of council houses and other assets)	3.4
Government grants and other contributions	2.8
Revenue and reserves	16.8
Use of cash balances	0.3
Total	23.3

Summary Statement of Accounts

Housing Revenue Account

The Housing Revenue Account (HRA) records income and expenditure relating to the management and maintenance of council housing.

During 2013/14 the Council was responsible for an average of 7,239 dwellings.

	£m
Dwelling rents	(34.2)
Non-dwelling rents	(0.7)
Charges for services and facilities	(2.8)
Other income	(0.5)
Income	(38.2)
Repairs and maintenance	6.1
Supervision and management	6.5
Rents, rates, taxes and other charges	0.4
Depreciation and impairment	4.3
Provision for bad debts	0.1
Share of corporate and democratic core costs	0.3
Expenditure	17.7
Net cost of HRA services	(20.5)
Surplus on sale of assets	(1.5)
Interest payable	7.5
Other income	(1.8)
Surplus for the year	(16.3)
Adjustments between accounting basis and funding basis under regulations	12.5
Contributions to earmarked reserves	0.4
Net HRA surplus for the year	(3.4)

The HRA surplus for the year of £3.4 million was added to the previously accumulated surplus. The HRA is 'ring-fenced' by law which means its income and reserves cannot be used for any purpose other than the provision and management of council housing. The accumulated surplus on the HRA at 31 March 2014 was £8.9 million.

CAMBRIDGE CITY COUNCIL

REPORT OF: Business Transformation Directorate

TO: Civic Affairs Committee

17/09/2014

WARDS: None directly affected

ANNUAL COMPLAINTS REPORT 2013-14

1 INTRODUCTION

- 1.1 This report provides an analysis of the complaints, compliments and comments received by the Council during 2013/14 under the Corporate Complaints, Compliments and Comments procedure.
- 1.2 The purpose of the report is to identify topics and trends in relation to complaints; identify areas of organisational learning that have taken place over the past year as a result of the complaints received and make further recommendations based on trend data to improve services.
- 1.3 The report also highlights those areas of good practice within the Council and seeks to identify topics and trends in relation to comments made by members of the public so that the Council can also take action where appropriate to improve services.

2. RECOMMENDATIONS

- 2.1 Civic Affairs to:

Consider the draft Annual Complaints Report for 2013-14, shown at Appendix A, and approve for publication on the Council's website.

3. BACKGROUND

- 3.1 This year we have changed the format of the report to detail what each department have done to prevent, improve and change their services as a result of feedback. We will continue with this recording method in 2014/15 to ensure that we have accurate information that is monitored and reviewed on a quarterly basis.
- 3.2 The City Council has been recording information about complaints for the last ten years and trend data is included in the report from 2008. In 2013-14 we received 429 complaints a 14% decrease on the previous year.
- 3.3 The report in Appendix A includes:
- A summary of complaints and compliments received, their trends and action taken
 - Context and service background
 - 20 complaints investigated by the Independent Complaints Investigator and service feedback
 - Complaints escalated to the Local Government Ombudsman and service feedback, including details of two findings of maladministration in 13-14. A full report on this will be provided to Housing Committee on 30th September 2014.
 - Complaints relating to conduct of councilors
- 3.4 As well as complaints we also receive many positive comments about the Council's services and staff. A section on compliments is included in the report because knowing where things are working well and are appreciated is as important as knowing where things are not working well.
- 3.5 Subject to approval by Civic Affairs on the 17th September, officers will finalise and publish the report on the Council's website with hard copies being made available on request.

4. CONSULTATIONS

The Annual Complaints report is compiled by Customer Services on behalf of the Council. Data on complaints and compliments is collected quarterly by a designated complaints coordinator within each department and collated by Customer Services.

5. IMPLICATIONS

(a) Financial Implications

The time and resources spent on responding to complaints is a not insignificant cost to the Council. Our aim should be to get things right first time as often as we can.

(b) Staffing Implications

None

(c) Equal Opportunities Implications

Analysis and action taken as a result of complaints has an important role to play in ensuring that our services are accessible to all those who wish or need to use them and, that as far as possible, we are able to respond flexibly to the differing needs of our citizens and visitors.

(d) Environmental Implications

None

(e) Community Safety

None

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

Departmental Quarterly monitoring reports – June '13, September '13, December '13, and March '14

For enquiries or to inspect these documents contact the author, Jenna Varga Business and Development Manager, Customer Services on extension 8607.

Report file: **N:\Strategy & Partnerships\Performance\Complaints and Compliments\Annual Complaints Report\2013-2014 Annual Complaints Report**

Date originated: 08 September 2014

Date of last revision: 08 September 2014

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Cambridge City Council

Annual Complaints Report 2013 - 2014

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CAMBRIDGE CITY COUNCIL'S ANNUAL COMPLAINTS REPORT

Every year we publish our Annual Complaints Report, which gives an overview of the complaints the Council has received and how we have dealt with them, though we do not publish names or other personal details of people who have complained.

Why we produce this report

- To learn from our mistakes so that we can improve our services
- To encourage people who have cause to complain to make comments and suggestions to help us make these improvements.
- To show how we've responded to complaints and what we've done to try and put things right.
- To publicise and explain our complaints process.

Our Complaints Procedure

What is a complaint?

A complaint is defined as: ***'an expression of dissatisfaction, however made, about the standard of service, action or lack of action by the Council, or its staff, affecting an individual customer or group of customers.'***

To set these complaints in context, it should be explained that where an issue is brought to the Council's attention for the first time (for example, a missed bin) that is dealt with as a request for action, and is not processed as a formal complaint. However, the Council's response, or lack of response, to that first time notification might lead to a complaint if the customer were still dissatisfied.

Customers complain to the Council if they:

- Are unhappy about something we have or haven't done.
- Are not satisfied with the way a member of staff has treated them.
- Are not happy with the way a councillor has treated them.
- Want to complain for any other reason.

How do customers make a complaint?

We publish a 'How to Complain Leaflet' which is available on our website at <http://www.cambridge.gov.uk/complaints> or customers can ask for a paper copy from our reception points. Customers can make a complaint by letter, email, telephone, face-to-face or they can use our online complaints form.

We aim to deal with complaints quickly and efficiently. Our target response time is seven working days, but if we need longer we will tell the customer why and keep them informed of progress during our investigation. We will also tell them who is dealing with their complaint.

We will apologise when we have made mistakes, try and put things right as soon as possible and make sure we do better next time. If customers are unhappy with the response to their complaint they can ask for their complaint to be passed to a service manager.

There are some things we can't change because we are legally required to do them or because they concern services provided by other organisations. In these cases we will always explain why we can't change things and tell customers who else they can contact if they are still unhappy.

Each of the Council's departments has a complaints co-ordinator who keeps details of all complaints for their service areas. Managers review the complaints regularly and decide whether they need to change things to prevent problems from happening again.

The Independent Complaints Investigator

If customers have not received a reply to a complaint within seven days or they are not satisfied with the way the council has dealt with their complaint, customers can ask for it to be referred to a Head of Service. If customers are still dissatisfied with the reply they can refer the complaint to the Independent Complaints Investigator who will investigate their complaint for them.

The Independent Complaints Investigator, (ICI), is not an employee of the Council but is paid by the Council on a contract basis to investigate complaints. This ensures that the role can be independent of the Council's departments.

The Independent Complaints Investigator investigates complaints to see if they are justified and acts on the complainant's behalf to try and find a way of resolving the issues raised. They aim to acknowledge each complaint within seven days and let the complainant know a date by which they can expect a full response. They will also arrange a confidential interview at a convenient time and place if it is required.

The Independent Complaints Investigator's role is not intended to be a substitute for handling complaints effectively within departments. It is intended to complement our complaints procedures and ensure consistency throughout the Council. Cambridge City Council is one of the few Councils to operate this service.

The Local Government Ombudsman

If customers are still not satisfied with the way their complaint has been handled they can contact the Local Government Ombudsman's office. The Local Government Ombudsman investigates complaints of injustice arising from maladministration by local authorities and other bodies.

Executive Summary

General Summary

In 2013/14 Cambridge City Council received 429 complaints, 14% fewer than in the previous year. The Council also received 182 compliments, 3322 positive comments through GovMetric and 1589 negative (Including the website). 1 out of 485 contacts with the council results in a complaint, this is almost a 1 in 500 chance, and therefore very low. We continue to value and monitor feedback, and address all issues and concerns.

Independent Complaints Investigator

28 complaints were made to the Independent Complaints Investigator, of which 20 were investigated, 18 of which have been completed. 7 cases were not upheld, 4 were not upheld but with recommendations, 5 cases were partially upheld, and 2 cases were fully upheld.

Local Government Ombudsman

Two upheld complaints uncovered some common failures in the Housing Advice Service. Firstly, that there were delays in the homeless decision making process and that households were placed in bed and breakfast accommodation for longer than permitted. In a third case, referred in 2013-14 but not upheld until July 2014, the Council was criticised by the Ombudsman for ending a temporary accommodation stay prematurely and delaying an adverse homelessness decision in order to assist a family into housing in the private rented sector.

New Style Report

The City Council has worked hard to understand the reasons for the complaints, and has taken action to prevent the poor service that triggered those complaints from being repeated. We continue to work hard to deliver high quality services to all residents and customers, and welcome all feedback on our services and suggestions for improvement. This report allows us to reflect on our successes and areas of development. Following feedback and a review of our complaints process we have changed the way we record and monitor complaints, compliments and comments.

The Lead complaints Officer will review all data and feedback on a quarterly basis to establish themes and trends within services. This will then be discussed with Directors and Heads of service to gain an understanding of what the service is doing to improve, change or prevent. This will help to create a rolling yearly report, ensuring accuracy and that changes and improvements made are captured and reviewed on a regular basis. Particular attention will be focused on reducing complaints being escalated to the independent complaints investigator by making sure that complaints that involve more than one service at stage one are dealt with more efficiently.

We will continue to address complaints within the Environment directorate to improve service levels and reduce complaints.

Complaints to the City Council in 2013/14

We received 429 complaints in 2013-14. This was a 14% decrease on those received in the previous year as can be seen in the **Figure & Table 1** below.

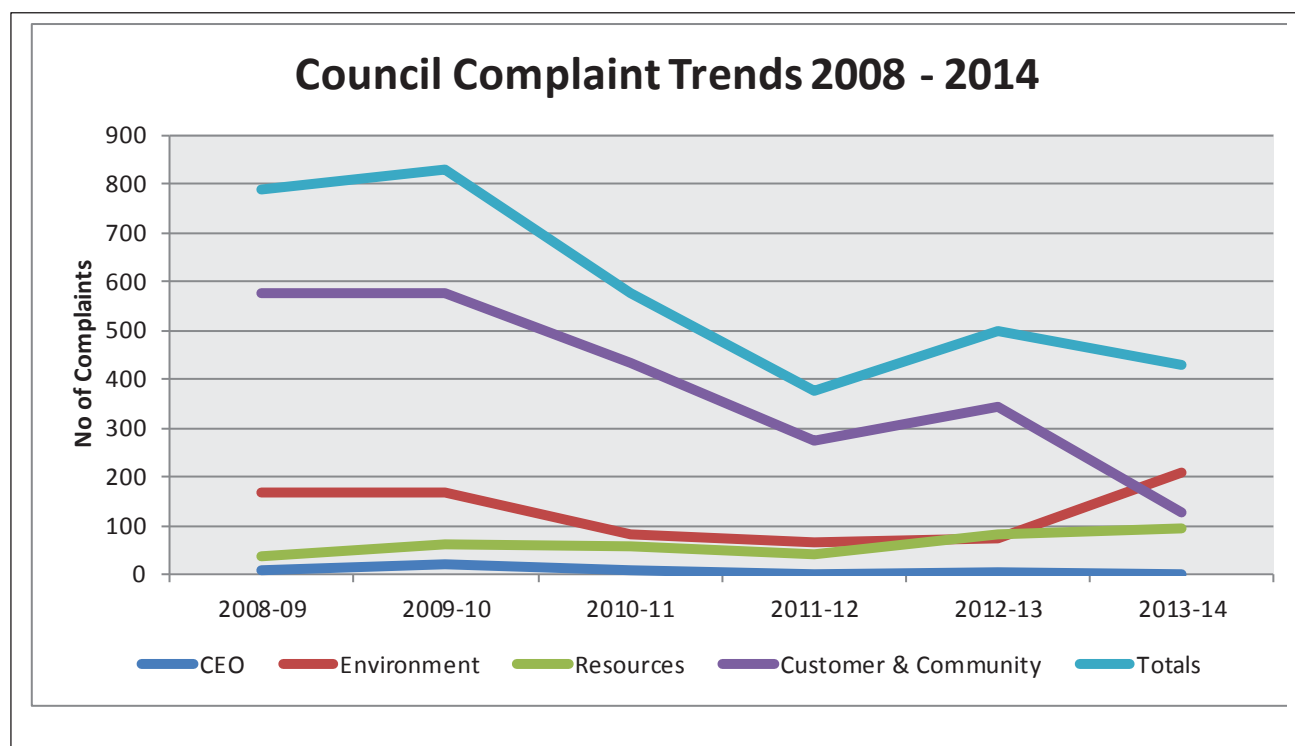


Table 1. Cambridge City Council complaint totals 2008 - 2014

Year	Chief Exec's	Environment	Resources	Customer & Community	Totals	% Change
2013-14	0	210	93	125	428	-14
2012-13	2	72	83	341	498	+32
2011-12	0	65	40	272	377	-34.5
2010-11	8	81	56	431	576	-30
2009-10	21	168	61	577	827	+5
2008-09	8	169	36	576	789	

Since 2008 complaints have generally been falling with a reduction of 45% since 2008-09 which is a considerable reduction. We are very proud of this and hope to build on this success in the coming year. In this report you will see the number of complaints overall, broken down by service and also what the services are doing to improve, prevent and change as a result of the feedback received¹. Within the report, services have explained what the trends are and what actions are being taken.

¹ **Appendix 1** details the services within the directorates.

Number of complaints in context

To put the number of complaints in broader context, last year over 175,000 telephone contacts and 33,000 face to face visits were recorded at the customer service centre. This is at a time where the complexity of queries and therefore the duration of customer contacts are increasing. The Customer Service Centre began a review of how it handles customer enquiries. The result of these reviews has been an increase in end to end service provision given for customers given at the first point of contact.

The largest number of complaints was received by our biggest directorate Environment.

- Out of the 210 complaints received, 49 were waste related waste collections. There are approximately 49,000 households visited each week, this number of complaints is therefore a very small percentage. However every time a complaint is made about a missed collection or bins have not been put back, the enquiry is investigated and crews are reminded of their duties.
- The second largest source of complaints related to Open Spaces (missed litter bin collections) and the service is currently carrying out a complete review of this function with the goal of improving collection efficiency.
- Parking services updated the pay station kiosks in September 2013. Due to an error with the contractor there was a period of time where the option to prepay for parking was unavailable. This resulted in a large numbers of complaints, the service has made changes and normal service has now resumed.
- Planning services saw an increase in workload on local developments, this contributed to the delays in response times. The team continue to review caseloads, deadlines and ensure they are communicating with their customers.

Revenues and Benefits has seen an increase in workload due to the Government's ongoing welfare reform programme, and in particular the benefits caseload is now more complex to administer for claimants who are in work and in receipt of housing benefit. There has also been a dramatic increase in the number of changes in circumstances dealt with. It is important to set complaint analysis in context of the number of documents sent to residents.

- Each year Revenues and Benefits send approximately 150,000 documents in relation to Council Tax administration, which includes council tax bills, reminders, final notices and summonses for Court action (approximately £60m of council tax to be collected from 51,725 council tax properties).
- For Benefits' administration we send approximately 60,000 letters per annum and we paid more than £44m during 2013/14 in housing benefit and council tax support to over 8,500 households.

Complaints are generally filtered for the Council via the customer service centre. The increased use of email and online forms has allowed a greater distinction between requests for service and genuine complaints over the years, and this has been reflected in the final totals.

Between 2012-13 and 2013-14 telephone contacts to the customer service centre decreased, primarily as a result of the box office general enquiries calls being outsourced to a third party.

Figure 2. Contact and complaint volumes 2010-2014.

Year	Total Contacts	Complaint Totals	% of complaints to contacts
2013-14	256,068	429	0.16
2012-13	277,500	498	0.18
2011-12	245,874	377	0.15
2010-11	235,124	576	0.24
2009-10	208,624	827	0.39

Changes to the method for recording complaints

In previous years complaints were recorded by various means including the use of paper, spreadsheets, access databases and the Service Mail System. Last year all complaints and compliments that required a reply were recorded and administered through the corporate Customer Relationship Management (CRM) system. Full training was arranged for all complaints officers in all departments. The use of CRM has streamlined the process for both the logging and the reporting of complaints and compliments, giving a more effective, responsive and flexible system.

How many complaints did we respond to on time?

The figures for 2013-14 show an increase in performance from last year with the number of complaints responded to on time increasing from 85% to 88% see table 3

Table 3. Complaint response times

(% responded to within seven days, by Department)

Year	Chief Exec's %	Environment %	Resources %	Customer & Community %	Totals %	% Change
2013-14	100	81	74	97	88	+3
2012-13	100	72	78	89	85	+2
2011-12	NA	80	73	97	83	+26

How were complaints received across the Council?

E-mail continues to be the favoured method of contact for customers making a complaint (78%) see table below.

Table 4. How complaints were received

Year	Face to Face %	Letter %	Email %	Telephone %	Other (Comment Cards) %	Total %
2013-14	2	13	78	7	2	100
2012-13	1	19	70	8	2	100
2011-12	2	26	48	6	18	100
2010-11	1	24	56	4	15	100
2009-10	4	34	47	11	4	100

GovMetric customer feedback system






GovMetric was introduced by customer services to monitor feedback and measure improvement. The tool allows us to record how the feedback was received, ratings of good, average or poor can be selected by customers. They are also able to select service areas/departments and give more specific detail about their experiences.






GovMetric has had a marked impact, both in the amount and the details received. This year we have also seen a 43% increase in face to face feedback. We expect phone and e-mail feedback to increase over the next financial year with the roll-out of GovMetric across the remaining contact streams.






We currently use GovMetric to monitor feedback from face to face visits at Mandela House (table 5) and the Website (table 6).




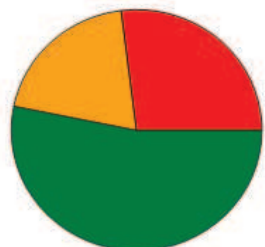

Table 5. Face to Face GovMetric feedback

01/04/2013 – 31/03/2014

01/01/2015 - 31/03/2014					
F2F - Time Taken				Overall Rating Good	
Number of respondents	617	71	148		
Percentage of respondents	74%	8%	18%		

F2F - Advisor/Information				Overall Rating Good	
Number of respondents	476	54	70		
Percentage of respondents	79%	9%	12%		

F2F - Decision				Overall Rating Average	
Number of respondents	165	87	98		
Percentage of respondents	47%	25%	28%		

F2F - Query Resolution				Overall Rating Average	
Number of respondents	306	114	155		
Percentage of respondents	53%	20%	27%		

Action taken in response to feedback

In 2014 the Customer Service Centre assisted an average of 700 customers per week via personal interviews. In 2013 the Service Centre was operating a drop-in, first come first serve service for customers who visited personally to have their queries resolved. This method of prioritising customers routinely lead to bottle necks of demand and resulted in significant waiting times for customers and caused pressure for the staff serving them.

In March 2014 the Centre introduced an appointment only service in the afternoons for customers with non-emergency Housing Benefit and Council Tax enquiries. This initiative has enabled the centre to deliver a more consistent service to customers. Waiting times have reduced significantly and are now routinely under their 10 minute target.

With the introduction of a payment kiosk in the reception the opportunity was taken to move resource from the payments office to the reception services aspect of the front of house area. A sustained plan of cross training was completed over the 2013-14 financial year to enable more resources to be located in line with demand.

New services were offered to customers visiting the centre in 2013-14. Cambridge community navigators, who assist older, isolated and vulnerable people living in Cambridgeshire to stay independent and maintain social contacts, were invited to use office space within the centre so they could help customers who may be having difficulty.

Financial capability reviews and appeals assistance were also offered via the Cambridge Citizens' Advice Bureau (CCAB) within the service centre, allowing customers to receive a more holistic solution to the problems they contact the council about.

In order to increase opportunities for customers at Mandela House to self-serve, two computers were opened up to allow internet access for customers and free Wi-Fi has been enabled.

Customer Services has also worked with Revenues & Benefits to introduce e-benefits and e-services. These systems allow customers to make applications for benefits and update their details via an online system directly through our website.

Customer service advisors are on hand to give assistance to customers using the applications, guide them through the systems so they can make subsequent changes or applications on their own.

Table 6. Website GovMetric feedback

01/04/2013 – 31/03/2014

Rating	Total number	Common theme identified
Good	1758	Time taken and Information offered
Poor	1118	Query resolution
Average	201	Query resolution

Action taken in response to feedback

We launched our new-look website in early February 2013, when we implemented a more task-based navigation and structure. The **good** rating and **time taken/ information offered** means customers are finding our content easily and quickly.

We know that less than 20% of visits to our site within this period were to our home page, and 70% of all visits came directly from Google. This means people are searching with keywords in Google and hitting our site directly within content pages. Our well-structured site ranks highly in Google's results.

Many of the **poor** ratings for **query resolution** came about because customers viewed out of date content, found broken links or because their query was not answered as they would have expected.

We forward on these individual reports to service teams so they can update the website. We also have a regular maintenance schedule where we check the site for broken links, spelling errors etc.

Further Actions

We will be customer testing the website at the end of July 2014 and will create an action plan to address any issues raised, which we expect to include a review of our content, to ensure it is written specifically to achieve the customer task, quickly and efficiently. We also expect to slim-down the size of the site removing content that isn't often viewed.

We will also be making improvements to our publishing system with the aim of helping web editors to keep their content up to date.

Complaint Trends and Service Feedback

Each council department reviews the complaints and compliments it receives on a quarterly basis. This enables services to identify if there are any trends in the types of complaint being made or the services that complaints are being made about. As a result, changes are made to services and how they are provided.

Examples of how service provision has changed arising from complaints made over the past year are shown in table 7:

Table 7. Service Complaint Trends 2013-14

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Environment	Refuse & Environment	49	Missed bin collections Crew Bins not returned	10
Changes and improvements made: <ul style="list-style-type: none"> A new joined up procedure has been put in place between City Centre Management, Environmental health, the city Rangers and the Customer service centre. The performance indicator is included as an agenda item with the Team leaders and Leadings Hands team meetings to ensure that staff are made aware of how the service is performing. Meetings are carried out where crew behaviour or performance is found not to be at the level required. Missed bin statistics are now shown on the staff notice board to help raise awareness of how each waste stream is performing. Regular meetings are held and staff training provided where necessary. The issue has also been raised with all crews and the leading hands now carry out regular crew visits in the city. 				

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Environment	Planning	32	Delayed or no response	2
Changes and improvements made: <ul style="list-style-type: none"> The service has introduced more regular one to one sessions between Principal Planning Officers and case officers. Discussions at team meetings and continuous emphasis on the need to communicate well with applicants and in particular to give realistic timescales for responses. Officers are advised to seek early support on workload management issues. Increasing use of management information has allowed a re-allocation of application caseload to ensure that deadlines are achieved. 				

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Environment	Tourism/CCM	5	No theme identified	
Changes and improvements made: <ul style="list-style-type: none"> Complaints dealt with on an individual basis 				

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Environment	Streets and open spaces	48	Street cleaning Trees No or delayed response	1

Changes and improvements made:

- Trees and hedges are maintained on a cyclical programme to meet budget demands. Depending on growth variation sometimes work is required when it is not scheduled. The tree team are installing voicemail on their office phones and having their calls transferred to their mobiles to improve availability and customer service.
- To reduce missed litter bin collections there is a review taking place to re-route collection rounds to make them more efficient and the most appropriate frequency.
- Locate and identify all litter/recycling and dog bins within Cambridge. Once completed this will be mapped and new routes identified. Optimisation of rounds will also occur along with changes to frequency to meet the needs of the areas concerned.
- Parks and children's play areas are inspected on a regular basis to ensure sites are safe for play and activities.
- Staff have been advised to be vigilant in terms of damage to play equipment through criminal damage.
- Staff are currently reminded of their responsibilities and the importance of not missing the emptying of bins through their line managers.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Environment	Environmental Health	22	Noise/buskers	

Changes and improvements made:

- The service has been working very closely with the Customer Service Centre and Environmental Health team to improve the way in which departments across the council work together to respond to these complaints.
- A comprehensive procedure has been put in place between City Centre Management, Environmental health, the city Rangers and the Customer service centre.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Environment	Specialist Services*	10	No theme identified	2

Changes and improvements made:

- Complaints dealt with on an individual basis

*Specialist services includes Parking, Bereavement Services, CCTV and Out of Hours call handling. The report separates out Parking, as a discrete category.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Environment	Parking Services	36	Car Park costs Ease of payment	2

Changes and improvements made:

- Parking services updated the pay station kiosks in September 2013. Due to an error with the contractor there was a period of time where the option to prepay for parking was unavailable. This resulted in a large numbers of complaints, the service has made changes and normal service has now resumed.
- We review our car parking charges regularly and take specialist advice about the effects of previous changes on the use of our car parks, and in order to forecast how future changes will affect demand.
- We have thoroughly reviewed our parking services web pages to improve the quality of information for the public, and continue to improve our physical signs and review our general communications on a regular basis.
- Many of the 'complaints' we receive from customers refer to the council's pricing policy rather than to operational issues. With limited capacity and high demand for spaces, our car park prices are set so as to make the city as accessible as possible at the busiest times. Cheaper rates apply outside of peak times, for example in the evenings, and concessions are offered to people such as blue badge holders who need to access the city by car. Our prices are set to discourage long-stay parking, for whom park and ride can offer a cheaper alternative. There are five Park and Ride sites located around the City. These are well signed from the M11 and approach roads.
- Signs displaying our tariffs are displayed prominently at every pay machine, as well as the entrances to all our car parks. If a customer decides not to park but has already entered the car park our barrier system allows an immediate exit without charge. Complaints about the location of payment machines, particularly the new arrangements for Blue Badge holders at the Grand Arcade car park have been addressed.
- All parent and child parking and Blue Badge parking has been re-located to level two which is the first level of the upper part of Grand Arcade car park. The number of parent and child bays has actually increased and they are all situated at the North end of the car park adjacent to the lifts into the centre.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Environment	Garage	8	Staff/service	2

Changes and improvements made:

The service has introduced a new management system, including a data entry programme to capture information for both internal and external customers, this has improved the level of service offered. This tool also helps the management team to identify staff training needs, workload and manage performance.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Resources	Estates and Facilities	92	No or delayed response Staff Damp External contractors Fencing	15

Changes and improvements made:

- We have looked into the trend of damp and fencing complaints which identified that many of these are a result of poor communication and confusion about what the tenants or council are responsible for maintaining. To support our tenants in avoiding damp we have created a leaflet giving advice on good ventilation in the home. The Customer Service Centre staff have also attended training to improve understanding, enabling these cases to be handled more effectively at the first point of contact.
- With regard to fencing we are aiming to reduce these complaints by ensuring clearer information is available to the tenants explaining what work we will/will not carry out.
- Complaints regarding staff and contractors are assessed on a case by case basis and are addressed with extra training, or through the Council's capability/disciplinary proceedings. Contractors attend meetings to discuss complaints made against them and are given the opportunity to respond/explain. Poor performance results in formal warnings and in some cases a contract may be re-assigned.
- Additionally all staff received "Respect at Work" training in May 2013 focusing on improving communications and behaviours.
- We have also allocated a dedicated officer to take ownership of complaints to improve response times.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Resources	Accounting	1	No theme identified	

Changes and improvements made:

- Complaint dealt with on an individual basis.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Customer & Community	Arts & Recs	28	Costs Standard/cleanliness Play equipment	9

Changes and improvements made:

- The health suite closed and although this was an unpopular decision for existing members that used it, we have not had any further correspondence about it since the closure and reopening of the new gym.
- Membership fees became a topic due to the new contractor taking over the facilities. Not everyone was happy with their pricing structure, as a result of this (Greenwich leisure limited) GLL created new price bands for members so that they were not disadvantaged.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Customer & Community	Customer Services	8	Poor customer service	75

Changes and improvements made:

- The Centre has introduced a face to face appointments system in the afternoon to improve waiting times for customers and help set expectations.
- The centre has improved the self-serve facilities to increase convenience for customers. The payment kiosk, installed early 2013 has been very well used.
- Staff receive targeted coaching or training where complaints are upheld.
- Our records show that, increasingly, customers are unhappy at the decision made or the lack of options we are able to give them. The service will continue to focus its efforts on training staff to be as positive as possible. The opportunity to solve customers' problems, by recommending they apply for a discount or a benefit, have greatly reduced over the last year as welfare benefit changes have been implemented and the changes to Council Tax charging have come into effect.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Customer & Community	City Homes	34	No or delayed response Poor customer service Garages	3

Changes and improvements made:

- No or delayed response - staff have been reminded of the targets for replying to customer enquiries.
- Poor customer service - City Homes staff recently participated in a customer awareness training session to improve both internal and external customer service. The resident involvement team regularly assesses feedback and are now in the process introducing a survey to gather feedback from tenants and leaseholders.
- Garages - The web page has been updated to include an interactive map so customers are able to locate garages in advance of application. We are in the early stages of reviewing the sign up process and now have online applications to reduce waiting times. The garages are currently going through a refurbishment to improve standards.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Customer & Community	Strategic Housing	26	No or delayed response Homelink	4

Changes and improvements made:

- This year the service has completed a Home-Link procedural review to improve procedures and customer service. Alongside this correspondence has been improved by using assessment and support officers to request the submission of proofs and review homeless case assignments and cover arrangements.
- Working with Shelter (National Housing Charity) we reviewed and improved our quality standards framework.
- Communications improved due to improvements in procedure and guidance for advisors. Accessibility improved for customers by removing appointment restrictions, so we are now able to offer advice at the first point of contact.
- Changes in the record keeping of B&B placements have ensured that deadlines are managed effectively to prevent delays.
- With a new complaints recording spreadsheet and improved procedure the service is now able to capture feedback and action changes in a timely manner.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Customer & Community	Community & Development	5	Noise	51

Changes and improvements made:

- The procedure has been updated to reflect guidance on where complaints should be directed in the first instance taking into account the nature of the complaint (e.g. noise nuisance). The new procedure also reflects much closer joined up working across all departments of the Council
- Noise complaints regarding buses parked outside resident's home were responded to. As a result of the complaint, the activity programme was adapted to provide the bus at a different location, on a rotational basis.

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Customer & Community	Box Office	1	No theme identified	

Changes and improvements made:

- Complaint dealt with on an individual basis

Directorate	Service	No. of complaints	Theme identified	No. of Compliments Recorded on CRM
Customer & Community	Revenues and benefits	23	Reminder letters incorrect No or delayed response Direct debit cancelled in error	6
Changes and improvements made: <ul style="list-style-type: none"> • Reminder letters incorrect – The lack of integration between IDOX (document management system) and the Northgate Revenues and Benefits system has caused inaccurate reminder letters to be issued to customers. To counter this we undertook a manual matching exercise and affected accounts are put on hold. Overall we have noticed a significant reduction in these contacts and complaints, due to this exercise. • No or delayed response – Careful monitoring of the workload has meant that any build-up of work is quickly identified and processes put in place to ensure that resources are deployed quickly and effectively to minimise the delay in responding to correspondence. Regular audit checks are carried out on cases to ensure calculations and documents produce are correct and appropriate. Some responses take longer than others and in these cases officers are aware of the need to keep customers informed. We aim to respond to all work items promptly however delays can occur at peak periods during the year. • Direct debit cancelled in error - Direct Debits are only cancelled when we receive a cancellation from a customer's bank. We have evidence where we were asked to make the cancellation, but it is particularly difficult for a customer to get their bank to admit they were at fault. 				

Compliments to the City Council in 2013-14

The way in which we receive feedback changed last year with the introduction of GovMetric. We have seen a significance decrease in compliments received via e-mail and letter to the customer service center as customers are choosing to use the GovMetric feedback kiosk, see table 5. In 2014/15 we will show customer services feedback separately to give an overview of all channels of feedback.

Table 8. Cambridge City Council Compliment totals 2013-14.

Year	Chief Exec's	Environment	Resources	Customer & Community	Totals	% Change
2013-14	0	19	15	148	182	*
2012-13	0	8	23	571	602	+10
2011-12	0	7	3	531	541	+15
2010-11	6	35	12	408	461	+7
2009-10	2	121	Not recorded	308	431	+6
2008-09	0	86	Not recorded	321	407	+19

* Due to different recording mechanisms being used in 2013-2014 the % change value is not representative

Table 9. Compliments via GovMetric totals 2013-14

Compliments Channel	Total number	Common theme identified
Face to Face	1564	Time taken Advisor /information
Website	1758	Time taken Information

Independent Complaints Investigator (ICI)

The Independent Complaints Investigator, is not an employee of the Council but is paid by the Council on a contract basis to investigate complaints. This ensures that the role can be independent of the Council's departments.

The ICI investigates complaints to see if they are justified and acts on the complainant's behalf to try and find a way of resolving the issues raised. It is intended to complement our complaints procedures and ensure consistency throughout the Council.

Cambridge City Council is one of the few councils which employ an Independent Investigation Service and is an example of good practice in terms of transparency and public accountability. It is also a highly effective method of resolution for serious complaints.

How many complaints did the Independent Complaints Investigator deal with in 2013-14?

A total of 28 complaints were received by the ICI in 2013-14, with 20 cases being investigated and 8 cases not being investigated. Of the 20 complaints investigated 18 have been reported and concluded and two are on-going, and were carried forward to 2014-15

Of the 18 completed investigations, 7 cases were not upheld, 4 were not upheld but with recommendations for the services concerned, 5 cases were partially upheld, and 2 cases were fully upheld.

Further details on the complaints to the ICI that were upheld can be found in table 9 and are summarised on Figure 3.

Table 9. Upheld and partially upheld complaints to the ICI 2013-14

Directorate	Service	Decision
Environment and Customer and Community	Planning, Housing Advice, Anti-Social Behaviour, and Environment	Upheld
Complaint: Complainant reported poor communication between services. Planning applications to extend a bed and breakfast establishment were refused. Cambridge City Council entered into an agreement with the owner to use the Guest House as temporary accommodation solely for (primarily) vulnerable homeless people. After an inspection, Environmental Services considered the property to be an unregistered House of Multiple Occupancy (HMO), and advised Housing Advice not to place any further tenants in the property. Consequently, Housing Advice suggested to the owners that the guest house be used as an HMO with no more than nine people. This breached the planning restriction. The owner was reminded of the restriction to four rooms.		

Changes and improvements made:

- A review has taken place as to how the City Council deal with noise complaints. Work has taken place between various services such as Environmental Health, City Homes, Community Safety, Planning and the Customer Service Centre to devise a more streamlined approach to dealing with such complaints. A corporate noise procedure for residential premises has been developed, and a new mediation service will feed into the process.
- As part of the new HMO licensing procedure, all HMO Licensing applications that Environmental Health receives are now copied to planning and building control for their information. They can then act upon any which may require planning permission. When licenses are reissued copies are now sent to planning and building control
- The Council paid compensation to neighbours affected by anti-social behaviour at the property.

Directorate	Service	Decision
Business Transformation	Accountancy and Support Services, and Estates and Facilities	Upheld
Complaint: <ul style="list-style-type: none">• Complaint received with regard to a property which is a former local authority flat. It had been purchased under the Right to Buy scheme by a previous owner, and the customer purchased it on the open market. <p>The customer submitted an insurance claim for damage to a window frame, and felt that they did not receive a satisfactory response. An additional telephone conversation failed to improve matters. Failure to repair a leaking gutter caused damage to a window frame, and caused a second insurance claim.</p> <p>The customer also complained that they did not receive a response to their complaint regarding leaseholder services.</p>		
Changes and improvements made: <ul style="list-style-type: none">• Following this case we appointed a dedicated officer to deal with each complaint received. This ensures that the same officer handles the complaint from receipt through to conclusion. This has been a very positive development resulting in better working relationships with other departments involved in the complaint. A more 'joined-up' approach to resolving complaints between departments has reduced the risk of missed communication.		

Directorate	Service	Decision
Environment	Planning	Partially upheld
Complaint: <ul style="list-style-type: none"> Complaint received regarding the proportionate allocation of parking facilities within a development. The complainant considered that the response from service was unacceptable and that the delay in responding to the complaint by the planning department was unacceptable. 		
Changes and improvements made: <p>The ICI found the specifics of the complaint to be unfounded. The complainant had a tenancy agreement that specified that there was no car parking provision with the unit she was living in. The unit was in a development in a central location where parking provision had been specifically reduced at the planning stage. The complainant had been made fully aware of the restrictions when she took the tenancy so her complaint against the planning service was found to be unjustified. There were some delays in responding to her complaints which were submitted over an extended period before being investigated by the ICI. The service has improved complaint recording and monitoring to address this.</p>		

Directorate	Service	Decision
Environment	Planning	Partially upheld
Complaint: <ul style="list-style-type: none"> Complaint received that the Planning Department's treatment of customer's objection to a planning application was flawed. 		
Changes and improvements made: <ul style="list-style-type: none"> There was a management level discussion with the officer concerned with the complaint to emphasise the importance of communication and workload management. 		

Directorate	Service	Decision
Environment and Customer and Community	City Homes, and Environmental Services	Partially upheld
Complaint: <ul style="list-style-type: none"> Complaint received regarding night-time noise disturbance from a neighbour. Inadequate action taken by the Council to rectify plumbing which was causing noise disturbance. The Council took insufficient action over a period of four years in response to complaints regarding noise nuisance, and anti-social behaviour, including racial harassment 		
Changes and improvements made: <ul style="list-style-type: none"> As a result of this complaint a new joined up approach has been put in place which alerts all the departments concerned so complaints can be addressed more holistically. There is now one single point of contact and this officer takes ownership of the complaint until it is resolved. 		

Directorate	Service	Decision
Customer and Community	Revenues and Benefits	Partially upheld
Complaint: <ul style="list-style-type: none"> Customer complained of maladministration in responding to questions made on behalf of his father and his uncle regarding Housing and Council Tax Benefit, resulting in distress, debt, and a court order for arrears. 		
Changes and improvements made: <ul style="list-style-type: none"> We have an ongoing project to review the content and layout of letters so that they are easy to understand but still retain the legal references as appropriate. As part of this project, we will reference the date letters are sent on where that is available. We will continue to refer to the date correspondence is received as there can be significant gaps between letter's date and date of receipt. We have also made the telephone as the preferred method of communication. Diary dates create work items within the back office system and outstanding work is monitored to ensure these are actioned. Improved training across services allows officers to understand differing roles and to use these to assist customers in a One Council Approach. We actively encourage and expect officers to bring cases to the attention of the Recovery Team where recovery action has commenced and also where it is known that the case had been passed to the bailiff. Council Tax bills created as a result of benefit changes are produced on a separate extract and an integrity check is carried out by the business team (primarily looking for unusually large or small instalments). 		

Directorate	Service	Decision
Business Transformation	Estates and facilities	Partially upheld
Complaint: <ul style="list-style-type: none"> Complaint submitted regarding the treatment a customer received during maintenance work to their home. The Independent Complaints Investigator reported that the service had failed to respond both to the written complaint, and to reminder emails. The Independent Complaints Investigator did not up-hold the part of the complaint regarding an alleged unsatisfactory response to the complaint, including rudeness and discourtesy from CCC officer, and from an external contractor employee. 		
Changes and improvements made: <ul style="list-style-type: none"> The complaints officer investigated why the complaint was not forwarded for action. Temporary staff were made aware of good customer service, particularly respect and courtesy. The partnership organisation was reminded of the values which are expected of it under the Corporate Code of Governance. 		

The Local Government Ombudsman, (LGO).

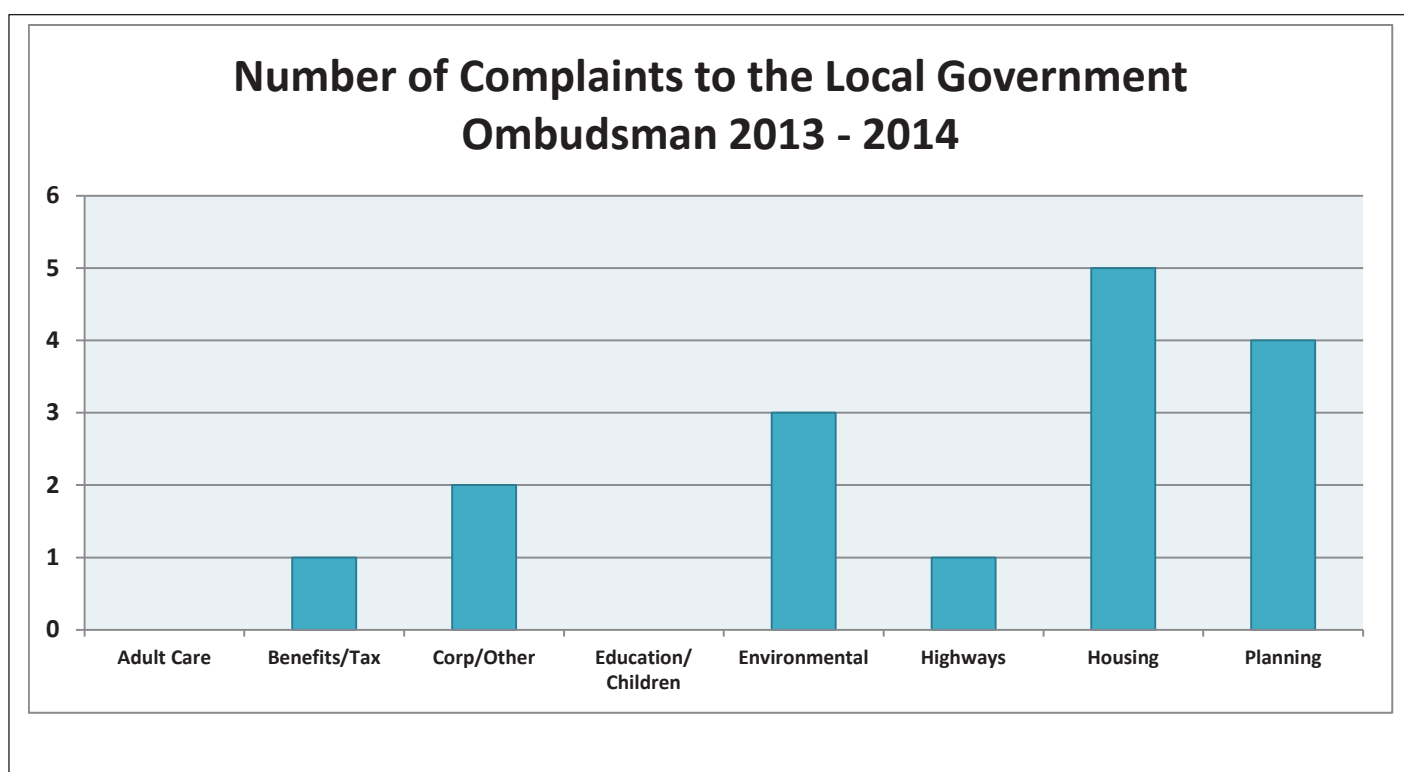
The Local Government Ombudsman

If customers are not satisfied with the way their complaint has been handled they can contact the Local Government Ombudsman's office. The Local Government Ombudsman investigates complaints of injustice arising from maladministration by local authorities and other bodies.

Since April 2008 the LGO Advice Team has been the single point of contact for all enquiries and new complaints. The advisors provide comprehensive information and advice to callers at the first point of contact with a full explanation of the process and possible outcomes. This enables callers to make a more informed decision about whether putting their complaint to the LGO Investigative Team is the right course of action.

In 2013/14 The Local Government Ombudsman received 16 complaints about Cambridge City Council. These are summarised in Figure 3 and in the table which follows.

Figure 3



The complaints and LGO actions are summarised below:

In 2013-14 the Local Government Ombudsman received 16 enquiries and complaints, of those 15 decisions were made. 2 were given advice, 3 closed after initial enquiries, 1 was invalid, 5 referred back for local resolution, 2 not upheld and 2 were upheld. 1 complaint made in March 2014 was still outstanding at the time LGO published their report.

Department	No of Complaints	Complaint Upheld	Complaint Not Upheld or other
Adult Care	0		
Benefits & Tax	1		1
Corporate & Other Services	2		2
Education/Children	0		
Environmental Services	3		3
Highways & Transport	1		1
Housing	5	2	3
Planning	4		4
Total	16	2	14

Summary of concerns raised:

The two upheld complaints uncovered some failures in the Housing Advice Service. Firstly, that there were delays in the homeless decision making process and that both households were placed in bed and breakfast accommodation for longer than the permitted maximum of 6 weeks as detailed in the Homelessness Code of Guidance.

In a third case, referred in 2013-14 but not upheld until July 2014, the Council was criticised by the Ombudsman for ending a temporary accommodation stay prematurely and delaying an adverse homelessness decisions.

Background:

Both the cases where a decision of maladministration was upheld during 2013-14 related to the housing advice service. Following a change in reporting by LGO, our systems failed to recognise these as maladministration cases. This resulted in a delay in reporting this to Committee. A full report will be provided to Housing Committee on 30th September 2014, this will include details of the complaints and decisions made in 2014/15.

In relation to the two cases there were delays in the homeless decision making process for both households and a lack of suitable temporary accommodation made available. Both households were placed in bed and breakfast accommodation for longer than the permitted maximum 6 weeks as detailed in the *Homelessness Code of Guidance*.

The Council wishes to acknowledge that there were shortcomings in relation to working practice, whilst also highlighting that there were other factors, particularly housing pressures at the time not within the Council's control that contributed to these circumstances.

The Council's Housing Advice Service has since introduced improved performance monitoring systems, has increased temporary accommodation units from 70 to 86, has introduced a stronger focus on using temporary accommodation and monitoring bed and breakfast usage. From a high of 30 households in Bed and Breakfast in August 2013 this has been reduced to less than 3 at any one time, since October 2013, and none for longer than 3 weeks.

A report on Discharge of Homelessness Duties to Community Services Scrutiny Committee in June 2013 provided a summary of pressures in the service at the time and policy solutions.

There are a number of factors that influence housing pressure in relation to length of stays in bed and breakfast accommodation but one of the most influential is the numbers of properties available to let through the Council's choice based lettings (CBL) system. Year on year lettings figures below demonstrate that there was a significant decline in available lettings from April 2011 to March 2013:

2009-10	890
2010-11	798
2011-12	558
2012-13	595
2013-14	704

In relation to the third finding of maladministration the Council is reviewing procedures for ending its temporary housing duties and staff will be trained on the need to investigate incidents more thoroughly, issue warnings and determine whether the behaviour is persistent before ending temporary accommodation duties.

Further detail on actions taken by the Housing Department to address concerns raised and charge of maladministration in the two Ombudsman cases determined in 2013-14.

1. Better performance monitoring systems for homelessness and housing advice cases – housing advisers are now closely monitored in the following areas:

- Average homelessness decision times – taken over a quarterly period
- Case file reviews – one per month per full time housing adviser – analysis of the quality and timeliness of record keeping
- Analysis of cases with no casework activity for 6 weeks or more
- Analysis of those customers in temporary accommodation for more than 5 months

The Housing Advice Service also has a weekly report on numbers in bed and breakfast accommodation and flags the numbers of households who have been placed there for 3, 4 and 5 weeks. A statistics report will be reviewed by Head of Service and reported to the director on a monthly basis to maintain service level agreements.

2. More temporary accommodation – the government set local authorities a target to halve the number of temporary accommodation units by 2010 from an initial baseline. The target was set as a blanket target for all local authorities in England and Wales regardless of local conditions. Cambridge City's baseline figure of 140 was set in 2005. By 2010 the Council had met the government target by reducing the figure to 70. However, over the last 5 years, the Council has consistently had an average of around 85 households in temporary accommodation. This has meant that meeting the target had led to a shortfall of around 15 temporary accommodation units. Spend on bed and breakfast peaked in 2013 where the Council had up to 30 households in bed and breakfast by August of that year. We make every effort to ensure that temporary housing is offered close to Cambridge, taking into consideration the Customers personal circumstances, e.g. work, school and vulnerability.

The Housing Advice Service has a target to increase temporary accommodation provision to 90 by the end of this financial year. As at 24th July 2014 the Council has 86 units, including a 10 bedroom hostel acquired through a lease from a registered provider in October 2013. The Council has not had more than 3 households in bed and breakfast since November 2013 and has had no households showing as resident for more than 3 weeks in the weekly snapshot report since 25th October 2013.

3. Reorganisation of resources – the Housing Advice Service has trialled the use of a dedicated officer to coordinate temporary accommodation placements and this has led to the move to create a dedicated role which appears in a restructure proposal currently out to consultation. The restructure proposal also includes the addition of another full time equivalent housing adviser, which should help to further reduce casework decision times.

- 4. Partnerships with other local authorities in the sub-region** – The council has reciprocal arrangements for provision of temporary accommodation with both East Cambridgeshire and South Cambridgeshire district councils.
- 5. Review of processes** – We have reviewed the Council processes to ensure LGO reports are monitored, reviewed and actioned in a timely manner.

Complaints under the Councillors' Code of Conduct

Councillors must adhere to the Council's Code of Conduct whenever they are conducting Council business, representing the Council or conducting the business of the office to which they were elected. The purpose of the Code of Conduct is to ensure high standards of ethics and conduct are maintained and that Councillors treat everybody in an equal capacity and with respect, ensuring at all times that the integrity of the Council is not compromised in any way.

Complaints about councillors are considered initially by the Council's Monitoring Officer (who is also the Head of Legal Services). When he receives a complaint about breach of the Code of Conduct, he consults one of two "Independent Persons" appointed by the Council. The role of the "Independent Persons" is to introduce external scrutiny of the complaints process. The Monitoring Officer can respond to a complaint, can commission a formal investigation or can refer it for consideration by the Council's Standards Sub-Committee. The Council's Standards Sub-Committee is made up of three councillors.

During 2013-14, the Council received three complaints about the conduct of councillors. None of the complaints were upheld.

The three complaints arose through the Council's consideration of planning applications relating to Wilton Terrace. Two complainants claimed that a councillor should not take part in later decisions affecting Wilton Terrace as they said that the way the councillor had voted previously on similar applications amounted to predetermination. They claimed that the councillor would not be approaching the later applications with an open mind. This is not a complaint that relates to the Code of Conduct. The Monitoring Officer wrote to the complainants explaining why he disagreed with their view of predetermination and why it was legitimate for the councillor to take part in the decisions.

The third complaint related more generally to members of the Planning Committee, alleging "erratic & inconsistent behaviour on behalf of the Councillor & their committee members". The Monitoring Officer clarified that no allegation was being made of breach of the Code of Conduct and concluded that the complaint was not one that should be investigated under the complaints procedure.

There were three complaints in 2011/12 and two complaints in 2012/13.

To find out more about the Council's Code of Conduct and how to make a complaint about a councillor go to <https://www.cambridge.gov.uk/compliments-complaints-and-suggestions> or contact the Council's Monitoring Officer, Simon Pugh (simon.pugh@cambridge.gov.uk).

Appendix 1 Departments 2013-14

Chief Executive's Department

CEX Office

Corporate Strategy

Business Transformation Department

Accounting Services

Human Resources

Internal Audit

Customer Service

ICT Client

Property Services

Legal Services

Environment Department

Planning

Refuse and Environment

Specialist Services

Tourism and City Centre Management

Streets and Open Spaces

Customer and Community Services Department

Arts and Recreation

City Homes

Community Development

Strategic Housing

Revenue and Benefits

Estates and Facilities

Please note that that there has been a change in services and directorates in 2014.

- Estates and facilities moved from Business Transformation to Customer and Community Services.
- The Customer Services has moved from Customer and Community Services to Business Transformation.
- Community Development and Arts and Recreations will merge in Autumn 2014

The 2014/15 complaints report will reflect these changes.

CAMBRIDGE CITY COUNCIL

REPORT OF: Monitoring Officer (Head of Legal Services)

TO: Civic Affairs Committee

17/9/2014

WARDS: None directly affected

CONSTITUTION- CHANGES TO COMPLY WITH LEGISLATION ON RECORDING OFFICER DECISIONS AND RECORDING MEETINGS

1 INTRODUCTION

- 1.1 Part 4B of the Constitution covers access to information (on council meetings and decisions) and requires amending to reflect recent change to the law which provide for certain officer decisions to be published. Changes to the law also set out rights for the public to record council meetings.
- 1.2 Officers have revised Part 4B to reflect legal changes. The revised part 4B also includes revised rules on recording Council meetings, currently set out in the Council's filming protocol. Public speaking rights are also moved to Part 4B, as they fit with rights of public access to meetings. The revised Part 4B removes some duplication from the current version and, officers hope, is set out more clearly.

2. RECOMMENDATION

- 2.1 To recommend to Council to adopt the revised 'Part 4B- Access to Information Rules' set out in the appendix to this report.
- 2.2 To authorise the Monitoring Officer to make consequential changes to other parts of the Constitution that refer to recording meetings and public speaking rights.

3. BACKGROUND

- 3.1 On 6 August, 'The Openness of Local Government Bodies Regulations 2014' came into force. These require councils to permit the public to report (including filming and sending twitter

commentaries) on council meetings. They also require written records to be kept of certain decisions taken by officers. These obligations build upon the 2012 Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations.

- 3.2 The Government has published a guide for the public to coincide with the new law. 'Open and accountable local government' from the Department of Communities and Local Government spells out the public's rights both to attend meetings and to report them. The guide is at <https://www.gov.uk/government/publications/open-and-accountable-local-government-plain-english-guide>.
- 3.3 The original part 4B and recording protocol are included at Appendix A with the combined revised version for approval at Appendix B.

Filming and recording meetings

- 3.4 Although the Council already had a protocol for audio/visual recording and photography at Council meetings, it needs updating to include reference to social media and the requirements of the new law and will be subsumed in the revised 4B (rather than, as current, in an appendix to Part 4A-Council Procedure Rules). In short the changes to how the Council operated its protocol are:

- Anyone can record, film, tweet, blog etc and no notice is needed or permission from the Chair is required
- A Chair can request that those record proceedings respect that some members of the public may wish not to be filmed – but cannot require it nor stop the person(s) from recording if they refuse the request

- 3.5 Therefore, the Council needs to consider whether it should continue to include provision for those members of the public who do not want to be recorded. The legislation is silent on this aspect but the Government guidance published to coincide with the new law is as follows:

“The council.....should consider adopting a policy on the filming of members of the public, and ensure that they protect children, the vulnerable and other members of the public who actively object to being filmed, without undermining the broader transparency of the meeting.”

- 3.5 The law also require the Council to ensure that reasonable facilities are afforded to citizen journalists and bloggers. This should include space to view and hear the meeting seats and ideally a desk. It states that councils should use their common sense to determine the range of reasonable facilities. (This council provides a desk at meetings in the Guildhall and free access to wi-fi).

Recording of officer decisions

- 3.7 Officers must now record and publish decisions that are given under a specific Executive Councillor authorisation to do so, or a non-Executive decision delegated by Council, or a committee, or arising from a general authorisation to officers. Decisions delegated by an Executive Councillor to an officer have been recorded since September 2012, but some examples of the new requirement of officer decision include:

- the grant of a permission or licence,
- building control decisions/notices
- listed building consents

These will be published on the democratic pages of the website.

4. IMPLICATIONS

(a) Financial Implications

No implications

(b) Staffing Implications

The new requirement to record officer decisions is additional work.

(c) Equal Opportunities Implications

No Equalities Impact Assessment was carried out as the proposals are to comply with new legislation and associated Government guidance.

(d) Environmental Implications

No implications

(e) Procurement

No implications

(f) Consultation and communication

The Council will continue to use Cambridge Matters to highlight information on Councillor decision-making. The Your Council section of the website will be updated to reflect the legislative changes.

(g) **Community Safety**

No implications

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

The Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

The Openness of Local Government Bodies Regulations 2014

The Local Audit and Accountability Act 2014

Open and accountable local government: plain English guide (Department of Communities and Local Government)

To inspect these documents contact Simon Pugh, Monitoring Officer and Head of Legal Services on (01223) 457401 or simon.pugh@cambridge.gov.uk

The author and contact officer for queries on the report is Simon Pugh, Monitoring Officer and Head of Legal Services

Report file:

Date originated: 08 September 2014

Date of last revision: 08 September 2014

Part 4B: Access to Information Procedure Rules

1. Scope

- 1.1 These rules apply to all meetings of the Council, overview and scrutiny committees, area committees (if any), the Standards Committee and regulatory committees and public meetings of the executive (together called meetings). They also apply to meetings of working parties unless specifically excluded by a working party's terms of reference.

2. Additional Rights To Information

- 2.1 These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law. In particular, these rules supplement the provisions of the Freedom of Information Act 2000. In the case of any conflict between these rules and the Act, the Act will prevail.

3. Rights To Attend Meetings

- 3.1 Members of the public may attend all meetings subject only to the exceptions in these rules.

4. Notices Of Meeting

- 4.1 The Council will give at least five clear days notice of any meeting by posting details of the meeting at The Guildhall, Market Square, Cambridge and on its web site (www.cambridge.gov.uk).

5. Access To Agenda And Reports Before The Meeting

- 5.1 The Council will make copies of the agenda and reports open to the public available for inspection at the designated office at least five clear days before the meeting.

- 5.2 If an item is added to the agenda later, the revised agenda will be open to inspection for the time the item was added to the agenda.

- 5.3 Where reports are prepared after the summons has been sent out, the designated officer shall make each such report available to the public as soon as the report is completed and sent to Councillors.

6. Supply Of Copies

- 6.1 The Council will supply copies of:

1. any agenda and reports which are open to public inspection;
2. any further statements or particulars necessary to indicate the nature of the items in the agenda; and
3. if the proper officer thinks fit, copies of any other documents supplied to Councillors in connection with an item
4. the Forward Plan

to any person on payment of a charge for postage and any other costs.

7. Access To Minutes Etc After The Meeting

7.1 The Council will make available copies of the following for six years after a meeting:

1. the minutes of the meeting or records of decisions taken, together with reasons, for all meetings of the executive, but excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
2. a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
3. the agenda for the meeting; and
4. reports relating to items when the meeting was open to the public.

8. Background Papers

8.1 List of background papers

8.1.1 Every report shall list those documents (called background papers) relating to the subject matter of the report which, in the author's opinion:

1. disclose any facts or matters on which the report or an important part of the report is based; and
2. have been relied on to a material extent in preparing the report except for published works or documents which disclose exempt or confidential information as defined in Rule 10 below.

8.2 Public inspection of background papers

8.2.1 The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

9. Summary Of Public's Rights

9.1 These Rules constitute the written summary of the public's rights to attend meetings and to inspect and copy documents, and are kept at and available to the public for inspection at The Guildhall, Market Square, Cambridge.

10. Exclusion Of Access By The Public To Meetings

10.1 Confidential information – requirement to exclude public

10.1.1 The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

10.1.2 Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

10.2 Exempt information – discretion to exclude public

10.2.1 The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.

10.2.2 Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

10.2.3 Exempt information means information falling within the 7 categories (subject to any condition) set out in Appendix 1 to these Rules:

11. Exclusion Of Access By The Public To Reports

11.1 If the Director responsible for a report thinks fit, the Council may exclude access by the public to reports which in his or her opinion relate to items during which, in accordance with Rule 10, the meeting is likely not to be open to the public. Such reports will be marked "Not for publication" together with the category of information likely to be disclosed.

12. Application Of Rules To The Executive

12.1 Rules 13 – 24 apply to the executive and its committees and to decisions to be made by individual members of the executive. If the executive or its committees meet to take a key decision then it must also comply with Rules 1 – 11 unless Rule 15 (general exception) or Rule 16 (special urgency) apply. A key decision is defined in Article 12 of this Constitution. Rules 13 to 24 apply in the same way to key decisions to be made by individual members of the executive.

12.2 If the executive or its committees meet to discuss a key decision to be taken collectively, with an officer present, within 28 days of the date according to the forward plan by which it is to be decided, then it must also comply with Rules 1 – 11 unless Rule 15 (general exception) or Rule 16 (special urgency) apply. This requirement does not include meetings, whose sole purpose is for officers to brief members.

12.3 If the Executive meets collectively to take decisions which are not "key decisions", it will also apply Rules 12.1 and 12.2 to those decisions.

13. Procedure Before Taking Key Decisions

13.1 Subject to Rule 15 (general exception) and Rule 16 (special urgency), a key decision may not be taken unless:

1. a notice (called here a forward plan) has been published in connection with the matter in question;
2. at least 5 clear days have elapsed since the publication of the forward plan; and

3. where the decision is to be taken at a meeting of the executive or its committees, notice of the meeting has been given in accordance with Rule 4 (notice of meetings).

14. The Forward Plan

14.1 Period of forward plan

- 14.1.1 Forward plans will be prepared by the Leader (with officer support) to cover a period of four months, beginning with the first day of any month. They will be prepared on a monthly basis and subsequent plans will cover a period beginning with the first day of the second month covered in the preceding plan.

14.2 Contents of forward plan

- 14.2.1 The forward plan will contain matters which the Leader has reason to believe will be subject of a key decision to be taken by the executive, a committee of the executive, individual members of the executive, officers, or under joint arrangements in the course of the discharge of an executive function during the period covered by the plan. It will describe the following particulars in so far as the information is available or might reasonably be obtained:
 1. the matter in respect of which a decision is to be made;
 2. where the decision taker is an individual, his/her name and title, if any and where the decision taker is a body, its name and details of membership;
 3. the date on which, or the period within which, the decision will be taken;
 4. the identity of the principal groups whom the decision taker proposes to consult before taking the decision;
 5. the means by which any such consultation is proposed to be undertaken;
 6. the steps any person might take who wishes to make representations to the executive or decision taker about the matter in respect of which the decision is to be made, and the date by which those steps must be taken; and
 7. a list of the documents submitted to the decision taker for consideration in relation to the matter.
- 14.2.2 The forward plan must be published at least 14 days before the start of the period covered. The Director of Customer & Democratic Services will publish once a year a notice in at least one newspaper circulating in the area, stating:

Appendix A

1. that key decisions are to be taken on behalf of the Council;
2. that a forward plan containing particulars of the matters on which decisions are to be taken will be prepared on a monthly basis;
3. that the plan will contain details of the key decisions to be made for the four month period following its publication;
4. that each plan will be available for inspection at reasonable hours free of charge at the Council's offices;
5. that each plan will contain a list of the documents submitted to the decision takers for consideration in relation to the key decisions on the plan;
6. the address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, any document listed in the forward plan is available;
7. that other documents may be submitted to decision takers;
8. the procedure for requesting details of documents (if any) as they become available; and
9. the dates on each month in the following year on which each forward plan will be published and available to the public at the Council's offices.

14.2.3 Exempt information need not be included in a forward plan and confidential information cannot be included.

15. General Exception

15.1 If a matter which is likely to be a key decision has not been included in the forward plan, then subject to Rule 16 (special urgency), the decision may still be taken if:

1. the decision must be taken by such a date that it is impracticable to defer the decision until it has been included in the next forward plan and until the start of the first month to which the next forward plan relates;
2. the Chief Executive has informed the chair and any group spokespersons of a relevant overview and scrutiny committee, or if there is no chair, each member of that committee in writing, by notice, of the matter to which the decision is to be made;
3. the Chief Executive has made copies of that notice available to the public at the offices of the Council; and

4. at least 5 clear days have elapsed since the Chief Executive complied with 2. and 3.

Where such a decision is taken collectively, it must be taken in public.

16. Special Urgency

- 16.1 If by virtue of the date by which a decision must be taken Rule 15 (general exception) cannot be followed, then the decision can only be taken if the decision taker (if an individual) or the chair of the body making the decision, obtains the agreement of the chair of a relevant overview and scrutiny committee that the taking of the decision cannot be reasonably deferred. If there is no chair of a relevant overview and scrutiny committee, or if the chair of each relevant overview and scrutiny committee is unable to act, then the agreement of the Mayor, or in his/her absence the Deputy Mayor will suffice.

17. Report To Council

17.1 When an overview and scrutiny committee can require a report

- 17.1.1 If an overview and scrutiny committee thinks that a key decision has been taken which was not:

1. included in the forward plan; or
2. the subject of the general exception procedure; or
3. the subject of an agreement with a relevant overview and scrutiny committee chair, or the Mayor/Deputy Mayor of the Council under Rule 16;

the committee may require the executive to submit a report to the Council within such reasonable time as the committee specifies. The power to require a report rests with the committee, but is also delegated to the Monitoring Officer, who shall require such a report on behalf of the committee when so requested by a majority of the committee. Alternatively the requirement may be raised by resolution passed at a meeting of the relevant overview and scrutiny committee.

17.2 Executive's report to Council

- 17.2.1 The executive will prepare a report for submission to the next available meeting of the Council. However, if the next meeting of the Council is within 7 days of receipt of the written notice, or the resolution of the committee, then the report may be submitted to the meeting after that. The report to Council will set out particulars of the decision, the individual or body making the decision, and if the Leader is of the opinion that it was not a key decision the reasons for that opinion.

17.3 Quarterly reports on special urgency decisions

- 17.3.1 In any event the Leader will submit quarterly reports to the Council on the executive decisions taken in the circumstances set out in Rule 16 (special

urgency) in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken.

18. Record Of Decisions

- 18.1 After any meeting of the executive or any of its committees, whether held in public or private, the Chief Executive or, where no officer was present, the person presiding at the meeting, will produce a record of every decision taken at that meeting as soon as practicable. The record will include a statement of the reasons for each decision and any alternative options considered and rejected at that meeting.

19. Executive Meetings In Public

- 19.1 All executive meetings will be held in public unless the provisions under Rule 10 apply.

20. Notice Of Meeting Of The Executive

- 20.1 Members of the executive or its committees will be entitled to receive five clear working days notice of a meeting to which they are summoned, unless the meeting is convened at shorter notice as a matter of urgency.

21 Decisions By Individual Members Of The Executive

21.1 Reports intended to be taken into account

- 21.1.1 Where an individual member of the executive receives a report which he/she intends to take into account in making any key decision, then he/she will not make the decision until at least 5 clear days after receipt of that report.

21.2 Provision of copies of reports to overview and scrutiny committees

- 21.2.1 On giving of such a report to an individual decision maker, the person who prepared the report will give a copy of it to the chair of every relevant overview and scrutiny committee as soon as reasonably practicable, and make it publicly available at the same time.

21.3 Record of individual decision

- 21.3.1 As soon as reasonably practicable after an executive decision has been taken by an individual member of the executive or a key decision has been taken by an officer, he/she will prepare, or instruct the Director of Customer & Democratic Services to prepare, a record of the decision, a statement of the reasons for it and any alternative options considered and rejected. This shall be sent to all members of the appropriate overview and scrutiny committee(s) promptly. The provisions of Rules 7 and 8 (inspection of documents after meetings) will also apply to the making of decisions by individual members of the executive. This does not require the disclosure of exempt or confidential information.

22. Overview And Scrutiny Committees Access To Documents

22.1 Rights to copies

22.1.1 Subject to Rule 22.2 below, an overview and scrutiny committee (including its sub-committees) will be entitled to copies of any document which is in the possession or control of the executive or its committees and which contains material relating to

1. any business transacted at a meeting of the executive or its committees; or
2. any decision taken by an individual member of the executive.

22.2 Limit on rights

22.2.1 An overview and scrutiny committee will not be entitled to:

1. any document that is in draft form;
2. any part of a document that contains exempt or confidential information, unless that information is relevant to an action or decision they are reviewing or scrutinising or intend to scrutinise

23. Additional Rights Of Access For Members

23.1 Material relating to key decisions

23.1.1 All members of the Council will be entitled to inspect any document (except those available only in draft form) in the possession or under the control of the executive or its committees which relates to any key decision unless it contains exempt information falling within paragraphs 1,2,4,5 and 7 of the categories of exempt information and the information within paragraph 3 referring to any terms proposed by or to the authority in the course of negotiations for a contract.

23.2 Nature of rights

23.2.1 These rights of a member are additional to any other right he/she may have.

Appendix 1: Definition of “Exempt Information”

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes—
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Conditions relating to exempt information

Information falling within paragraph 3 above is not exempt information by virtue of that paragraph if it is required to be registered under—

- (a) the Companies Act 1985;
- (b) the Friendly Societies Act 1974
- (c) the Friendly Societies Act 1992];
- (d) the Industrial and Provident Societies Acts 1965 to 1978;
- (e) the Building Societies Act 1986; or
- (f) the Charities Act 1993.

Information is not exempt by virtue of that paragraph if it relates to proposed development for which the local planning authority can grant itself planning permission under Regulation 3 of the Town and Country Planning General Regulations 1992.

Information which—

- (a) falls within any of paragraphs 1 to 7 above; and
- (b) is not prevented from being exempt by virtue of paragraph 8 or 9 above,

Appendix A

is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Interpretation of exempt information

"employee" means a person employed under a contract of service;

"financial or business affairs" includes contemplated, as well as past or current, activities;

"labour relations matter" means—

- (a) any of the matters specified in paragraphs (a) to (g) of section 218(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (matters which may be the subject of a trade dispute, within the meaning of that Act); or
 - (b) any dispute about a matter falling within paragraph (a) above;
- and for the purposes of this definition the enactments mentioned in paragraph (a) above, with the necessary modifications, shall apply in relation to office-holders under the authority as they apply in relation to employees of the authority;

"office-holder", in relation to the authority, means the holder of any paid office appointments to which are or may be made or confirmed by the authority or by any joint board on which the authority is represented or by any person who holds any such office or is an employee of the authority;

"registered" in relation to information required to be registered under the Building Societies Act 1986, means recorded in the public file of any building society (within the meaning of that Act).

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Cambridge City Council protocol on audio/visual recording and photography at Council meetings.

The Council is committed to being open and transparent in the way it conducts its decision making. Recording is permitted at council meetings which are open to the public. The Council understands that some members of the public attending its meetings may not wish to be recorded. The Chair of the meeting will facilitate by ensuring that any such request not to be recorded is respected by those doing the recording.

The rules which the Council will apply are:

Appendix A

1. Anyone wishing to record must let the Chair of the meeting know and the recording must be overt (i.e clearly visible to anyone at the meeting). The Council will supply signs which will be deployed at any meeting all or part of which is to be recorded.

2. The Chair of the meeting has absolute discretion to stop or suspend recording if in their opinion continuing to do so would prejudice proceedings at the meeting or if the person recording is in breach of these rules. The circumstances in which this might occur include :

- recording is disrupting the proceedings of the meeting
- there is public disturbance or a suspension of the meeting

the meeting has resolved to exclude the public for reasons which are set down in the Council's Constitution

3. Any member of the public has the right not to be recorded. We ensure that agendas for, and signage at, council meetings make it clear that recording can take place – if anyone does not wish to be recorded they must let the Chair of the meeting know

4. The recording should not be edited in a way that could lead to misinterpretation or misrepresentation of the proceedings or infringement of the Council's values or; in a way that ridicules or shows a lack of respect for those in the recording. The Council would expect any recording in breach of these rules to be removed from public view. Notes for guidance:

Please contact Democratic Services in advance of the meeting if the recording you wish to do involves large equipment or special requirements.

The use of lighting for filming/flash photography is allowed if it is arranged with Democratic Services prior to the meeting. We require this so we can ensure the meeting will not be unduly disrupted and there is a safe environment to transact the business.

A failure to follow these requirements may lead to a request to record being refused at subsequent council meetings.

Recording and reporting the council's meetings is subject to the law and it is the responsibility of those doing the recording and reporting to ensure compliance. This will include the Human Rights Act, the Data Protection Act and the laws of libel and defamation.

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Part 4B: Access to Meetings and Information Procedure Rules.

1. Scope

- 1.1 These rules apply to all meetings of the Council, scrutiny committees, area committees, regulatory committees and meetings of the Council's Executive. They also apply to meetings of working parties of councillors unless specifically excluded by a working party's terms of reference. These are referred to collectively as "meetings" in these Rules.
- 1.2 The rules also apply to some decisions made by Council officers.
- 1.3 The rules cover the following:
 - (a) The rights of members of the public to attend meetings
 - (b) The rights of members of the public to record meetings
 - (c) The rights of members of the public to speak at meetings
 - (d) How the Council gives notice of meetings
 - (e) Public access to agendas, reports and background papers
 - (f) Publication of records of decisions
 - (g) Publicity given when key decisions are to be made

2. Additional rights to information

These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law. In particular, these rules supplement the provisions of the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. In the case of any conflict between these rules and wider rights, the wider rights will prevail.

3. Rights to attend meetings

Members of the public may attend all meetings subject to these exceptions:

3.1 Confidential information – requirement to exclude public

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

3.2 Exempt information – discretion to exclude public

The public may be excluded from meetings or parts of meetings during which it is likely that exempt information would be disclosed.

Exempt information means information falling within the 7 categories (subject to any condition) set out in **Appendix 1** to these Rules.

3.3 *Disorderly conduct or misbehaviour*

Members of the public may be excluded from meetings to suppress or prevent disorderly conduct or other misbehaviour at a meeting.

3.4 *Notice of private meetings of the Executive*

This rule applies to “private meetings” of the Council’s Executive, committees of the Executive and certain other bodies (e.g. joint committees) meeting to make Executive decisions collectively. (It does not apply to meetings of scrutiny committees.) A “private meeting” is a meeting in respect of which a decision has been made to exclude the public from all or part. The following steps must be taken for private meetings:

- (a) At least 28 clear days before a private meeting the Council must make available at its offices notice of its intention to hold the meeting in private and must publish the notice on its website. The notice must include a statement of the reasons for holding the meeting in private.
- (b) At least 5 clear days before a private meeting, the Council must make available at its offices a further notice of its intention to hold the meeting in private and must publish the notice on its website. The notice must include a statement of the the reasons for holding the meeting in private, details of any representations received by the Council about why the meeting should be open to the public and a statement of its response to any such representations.
- (c) Where compliance with this rule is impractical by reason of its date, the meeting may only be held in private with the agreement of the chair of the relevant scrutiny committee (or, if the chair is unable to act, the Mayor) that the meeting is urgent and cannot reasonably be deferred. In these circumstances, the Council must make available at its offices a notice setting out the reasons why the meeting is urgent and cannot reasonably be deferred and must publish the notice on its website.

4. Rights to record meetings

The public may record (e.g. film, audio, tweet, blog) meetings which are open to the public.

The Chair of the meeting has the discretion to stop or suspend recording if in their opinion continuing to do so would disrupt proceedings at the meeting. The circumstances in which this might occur include :

- excessive noise in recording or setting up and re-siting equipment
- intrusive lighting and use of flash photography
- asking people to make repeat statements for the purposes of recording
- moving to areas outside the area designated for the public without the Chair’s consent

Those recording meetings are strongly urged to respect the wish of any member of the public not to be recorded.

Agendas for, and signage at, meetings will make it clear that recording can take place. Anyone who does not wish to be recorded should let the Chair of the meeting know.

Recording and reporting the meetings is subject to the law and it is the responsibility of those doing the recording and reporting to ensure compliance; e.g. with the Human Rights Act, the Data Protection Act and the laws of libel, defamation and public order. Freedom of speech within the law should also be exercised with personal and social responsibility – showing respect and tolerance towards the views of others.

5. Rights to speak at meetings

The rights of members of the public to speak at Council meetings are set out in **Appendix 2** of these Rules.

6. How the Council gives notice of meetings

The Council will give at least five clear days' notice of any meeting by posting details of the meeting at The Guildhall, Market Square, Cambridge and on its web site. Where the meeting is convened at shorter notice, details of the meeting shall be published when it is convened.

7. Access to agenda, reports and background papers before decisions

- 7.1 The Council will make copies of the agenda and reports open to the public available for inspection at the Guildhall and on its website at least five clear days before the meeting. If an item is added to the agenda within five clear days of the meeting, the revised agenda will be open to inspection for the time the item was added to the agenda. If a report to a meeting is prepared after the agenda has been published, the Council shall make the report available to the public as soon as it is completed and sent to councillors.
- 7.2 Reports shall include a list of background papers. A copy of each background paper must be available for inspection at the Guildhall and on the Council's website. A background paper is a document which, in the author's opinion, discloses any facts or matters on which the report or an important part of the report is based, and that have been relied on to a material extent in preparing the report. Excluded from this are published works or documents which disclose exempt or confidential information
- 7.3 The Council will supply copies of agendas, reports and other documents supplied to councillors in connection with reports to any person on payment of a charge for postage and any other costs. This rule does not require the publication of confidential or exempt information.

74. The Council may exclude access by the public to reports which, in the opinion of the Director responsible for the report, relate to items for which the meeting is likely not to be open to the public. Such reports will be marked "Not for publication" together with the category of exemption that applies to the information.

8. Access to minutes, records of decisions, reports and background papers after decisions

- 8.1 The Council will make available copies of the following for six years after a meeting:

- (a) the minutes of meetings, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
- (b) a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- (c) the agenda for the meeting; and
- (d) reports relating to items when the meeting was open to the public.

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

8.2 *Records of decisions by members of the Executive*

As soon as reasonably practicable after an executive decision has been taken by a member of the Executive, the Democratic Services Manager will prepare a record of the decision, a statement of the reasons for it and any alternative options considered and rejected. It shall also include a record of any conflict of interest declared by a decision-maker and any note of dispensation granted by the Chief Executive. The Record of Decision shall be sent to all members of the appropriate overview and scrutiny committee(s) promptly.

The provisions of Rule 8.1 in respect of reports and background papers will also apply to decisions by individual members of the executive. This does not require the disclosure of exempt or confidential information.

9. Records of decisions by officers

9.1 *Decisions taken on behalf of the Executive*

As soon as reasonably practicable after an officer has made a decision which is an executive decision, the officer must produce a written statement which must include—

- (a) a record of the decision including the date it was made;
- (b) a record of the reasons for the decision;
- (c) details of any alternative options considered and rejected by the officer when making the decision;
- (d) a record of any conflict of interest declared by any executive member who is consulted by the officer which relates to the decision; and

- (e) in respect of any declared conflict of interest, a note of dispensation granted by the Chief Executive.

9.2 Decisions taken on behalf of the Council or its regulatory committees.

This rule applies to a decision that would otherwise have been taken by the Council, or a committee, sub-committee of the Council or a joint committee in which the Council participates, but which has been delegated to a Council officer either—

- (a) under a specific express authorisation; or
- (b) under a general authorisation to officers to take such decisions and, the effect of the decision is to—
 - (i) grant a permission or licence;
 - (ii) affect the rights of an individual; or
 - (iii) award a contract or incur expenditure which, in either case, materially affects that relevant local government body's financial position.

The written record must be produced as soon as reasonably practicable after the decision making officer has made the decision and must contain the following information—

- (a) the date the decision was taken;
- (b) a record of the decision taken along with reasons for the decision;
- (c) details of alternative options, if any, considered and rejected; and
- (d) where the decision is made under a specific express authorization, the names of any member who has declared a conflict of interest in relation to the decision.

The duty imposed by this section is satisfied where, in respect of a decision, a written record containing the required information is already produced in accordance with any other statutory requirement.

10. Rules relating to “key decisions”.

10.1 Definition

A key decision is an executive decision, which is likely—

- (a) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in Cambridge.

A detailed definition is set out in paragraph 12.3.2 of Part 2 of this Constitution.

10.2 Publicity on connection with key decisions

Appendix B

- (1) Where a decision maker intends to make a key decision, that decision must not be made until a document has been published in accordance with paragraph (2), which states:
 - (a) that a key decision is to be made on behalf of the Council;
 - (b) the matter in respect of which the decision is to be made;
 - (c) where the decision maker is an individual, that individual's name, and title if any and, where the decision maker is a decision-making body, its name and a list of its members;
 - (d) the date on which, or the period within which, the decision is to be made;
 - (e) a list of the documents submitted to the decision maker for consideration in relation to the matter in respect of which the key decision is to be made;
 - (f) the address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, any document listed is available;
 - (g) that other documents relevant to those matters may be submitted to the decision maker; and
 - (h) the procedure for requesting details of those documents (if any) as they become available.
- (2) At least 28 clear days before a key decision is made, the document referred to in paragraph (1) must be made available for inspection by the public—
 - (a) at the Guildhall; and
 - (b) on the Council's website.
- (3) Where, in relation to any matter—
 - (a) the public may be excluded from the meeting at which the matter is to be discussed; or
 - (b) documents relating to the decision contain confidential or exempt information,

the document referred to in paragraph (1) must contain particulars of the matter but may not contain any confidential or exempt information.

10.3 General exception to publicity requirement

If the publicity requirement in 9.2 has not been met, a matter which is likely to be a key decision has not been included in the forward plan, then subject to Rule 9.4 (special urgency), the decision may still be taken if:

- (a) the decision must be taken by such a date that it is impracticable to defer the decision until the publicity requirement has been met;
- (b) the Chief Executive has informed the chair and any group spokespersons of a relevant overview and scrutiny committee, or if there is no chair, each member of that committee in writing, by notice, of the matter to which the decision is to be made;
- (c) the Chief Executive has available to the public at the Guildhall and on the Council's website a notice setting out reasons why compliance with the publicity requirement is impractical; and

- (d) at least 5 clear days have elapsed since the Chief Executive complied with (b) and (c).

10.4. *Special urgency*

If by virtue of the date by which a decision must be taken Rule 9.3 (general exception) cannot be followed, then the decision can only be taken if the decision taker (if an individual) or the chair of the body making the decision, obtains the agreement of the chair of a relevant overview and scrutiny committee that the taking of the decision cannot be reasonably deferred. If there is no chair of a relevant overview and scrutiny committee, or if the chair of each relevant overview and scrutiny committee is unable to act, then the agreement of the Mayor or, in his/her absence, the Deputy Mayor will suffice.

10.5 *Right of scrutiny committees to require a report to Council*

If an overview and scrutiny committee thinks that a key decision has been taken which was not:

- (a) publicised in accordance with Rule 10.2; or
- (b) the subject of the general exception procedure in Rule 10.3; or
- (c) the subject of an agreement with a relevant overview and scrutiny committee chair, or the Mayor/Deputy Mayor of the Council under Rule 10.4;

the committee may require the executive to submit a report to the Council within such reasonable time as the committee specifies. The power to require a report rests with the committee, but is also delegated to the Monitoring Officer, who shall require such a report on behalf of the committee when so requested by a majority of the committee. Alternatively the requirement may be raised by resolution passed at a meeting of the relevant overview and scrutiny committee.

10.6 *Executive's report to Council on key decisions*

- (1) If required by a scrutiny committee under Rule 10.5, the executive will prepare a report for submission to the next available meeting of the Council. However, if the next meeting of the Council is within 7 days of receipt of the written notice, or the resolution of the committee, then the report may be submitted to the meeting after that. The report to Council will set out particulars of the decision, the individual or body making the decision, and if the Leader is of the opinion that it was not a key decision the reasons for that opinion.
- (2) In any event the Leader will submit quarterly reports to the Council on the executive decisions taken in the circumstances set out in Rule 10.4 (special urgency) in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken.

10.7 *Key decisions taken by individual members of the Executive*

(1) Reports intended to be taken into account

Where an individual member of the executive receives a report which he/she intends to take into account in making any key decision, then he/she will not make the decision until at least 5 clear days after receipt of that report, subject to the need to make an urgent decision.

(2) Provision of copies of reports to overview and scrutiny committees

On giving of such a report to an individual decision maker, the person who prepared the report will give a copy of it to the chair of every relevant overview and scrutiny committee as soon as reasonably practicable, and make it publicly available at the same time.. This rule does not require the publication of confidential or exempt information.

11. Overview and scrutiny committee access to documents

11.1 *Rights to copies*

Subject to Rule 11.2 below, an overview and scrutiny committee (including its sub-committees) will be entitled to copies of any document which is in the possession or control of the executive or its committees and which contains material relating to:

- (a) any business transacted at a meeting of the executive or its committees; or
- (b) any decision taken by an individual member of the executive.

11.2 Limit on rights

An overview and scrutiny committee will not be entitled to:

- (a) any document that is in draft form;
- (b) any part of a document that contains exempt or confidential information, unless that information is relevant to an action or decision they are reviewing or scrutinising or intend to scrutinize

12. Additional rights of access to information for members

12.1 *Material relating to key decisions*

All members of the Council will be entitled to inspect any document (except those available only in draft form) in the possession or under the control of the executive or its committees which relates to any key decision unless it contains exempt information falling within paragraphs 1,2,4,5 and 7 of the categories of exempt information and the information within paragraph 3 referring to any terms proposed by or to the authority in the course of negotiations for a contract.

12.2 *Nature of rights*

These rights of a member are additional to any other right he/she may have.

Appendix 1: Definition of “Exempt Information”

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes—
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Conditions relating to exempt information

Information falling within paragraph 3 above is not exempt information by virtue of that paragraph if it is required to be registered under—

- (a) the Companies Act 1985;
- (b) the Friendly Societies Act 1974
- (c) the Friendly Societies Act 1992];
- (d) the Industrial and Provident Societies Acts 1965 to 1978;
- (e) the Building Societies Act 1986; or
- (f) the Charities Act 1993.

Information is not exempt by virtue of that paragraph if it relates to proposed development for which the local planning authority can grant itself planning permission under Regulation 3 of the Town and Country Planning General Regulations 1992.

Information which—

- (a) falls within any of paragraphs 1 to 7 above; and
- (b) is not prevented from being exempt by virtue of paragraph 8 or 9 above,

is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Interpretation of exempt information

"employee" means a person employed under a contract of service;

"financial or business affairs" includes contemplated, as well as past or current, activities;

"labour relations matter" means—

- (a) any of the matters specified in paragraphs (a) to (g) of section 218(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (matters which may be the subject of a trade dispute, within the meaning of that Act); or
- (b) any dispute about a matter falling within paragraph (a) above;

and for the purposes of this definition the enactments mentioned in paragraph (a) above, with the necessary modifications, shall apply in relation to office-holders under the authority as they apply in relation to employees of the authority;

"office-holder", in relation to the authority, means the holder of any paid office appointments to which are or may be made or confirmed by the authority or by any joint board on which the authority is represented or by any person who holds any such office or is an employee of the authority;

"registered" in relation to information required to be registered under the Building Societies Act 1986, means recorded in the public file of any building society (within the meaning of that Act).

Appendix 2: Public speaking rights

1. *Public speaking rights at Council meetings and committees*

Set out below is the scheme that allows members of the public to speak at Cambridge City Council meetings.

If you have any questions on the scheme, please contact the Council's Committee Section at The Guildhall, email democratic.services@cambridge.gov.uk telephone (01223) 457169, 457086, 457012 or 457015.

To which bodies does the right to speak apply?

Meetings of the full Council, all committees, sub-committees and working parties; with the exception of:

- Planning Committee (see below) and Licensing Sub-Committees and Taxi Licensing Sub-Committees, which have their own schemes for public speaking rights;
- Any working parties which are not open to the public;
- The Employment Appeals Sub-Committee

It also applies where an executive councillor is making a decision in public without the presence of a scrutiny committee. Where this is the case, references in this scheme to the Chair shall be read as referring to the executive councillor.

Is it a right to ask questions or to make statements?

Both.

How should questions or statements be addressed?

At Council meetings, to the Chair of the relevant committee, or to the relevant member of the Executive, as determined by the Mayor. At Committee meetings etc., to the Chair of the meeting or to the appropriate Executive Councillor if it relates to an Executive function. However, in both cases, the Chair or Executive Councillor may invite another member or an officer to respond. Questioners/speakers should begin by saying whether they are representing a person, a firm or an organisation, or whether they are speaking on behalf of themselves.

Are questions and/or statements confined to matters on the agenda or permitted on all matters within the Committee's (or other body's) areas of responsibility?

Questions may be asked, and statements may be made, in respect of all matters within the Committee's or other body's areas of responsibility.

Is there a requirement for advance notification of a wish to speak or ask a question?

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If the question or statement concerns a matter which is on the agenda for the meeting in question, then the speaker or questioner should register their intention to speak with the Committee Manager before the start of the meeting. If it concerns a matter which is not on the agenda, then notice of the question or of the subject matter must be given to the Committee Manager by 10.00 am on the working day preceding the meeting.

Are there time limits?

Yes. Three minutes per speaker or questioner, with a further two minutes for a supplementary question or response. There is an overall time limit for public questioning and statements of 30 minutes, to include the time taken by responses to questions and statements. Each limit is extendable at the Chair's discretion.

Are there rules about the nature of questions and statements?

The scheme includes the following restrictions:

- Questions and statements should not contain offensive or defamatory expressions;
- Questions and statements should not relate to the conduct of individual Council employees or to human resources matters (eg disciplinary proceedings or grievances);
- Questions and statements should not divulge confidential or exempt information.

The Chair or Executive Councillor may refuse to reply to a question, and may refuse to refer the question to another member or to an officer at his/her discretion. Examples of circumstances in which it might be appropriate to decline to reply to a question include:

- Where an answer would involve divulging confidential or exempt information. (In appropriate cases, a written response may be possible with the consent of individuals whose personal information is being protected);
- Where the question concerns actual or potential legal proceedings involving the Council;
- Where responding to a question would involve a disproportionate use of resources in compiling an answer;
- Where there has been insufficient time to research an answer before the meeting.

The Chair or Executive Councillor may refuse to permit a question or a statement if it (or something similar) has already been put or made to another meeting of a Council committee or other body. The Chair may also discourage repetition and limit rights of address if more than one member of the public wishes to make a similar point. The Chair may determine the order in which questions and statements may be put.

When in the meeting are questions or statements made?

This is left to the discretion of the Chair but, ordinarily, questions and statements will be dealt with at the beginning of the meeting. However, where a statement or a question

relates to a matter on the agenda it may be appropriate for it to be put immediately preceding the consideration of the item by the committee or other body.

Can there be any debate on questions or statements?

The Chair may comment on a response to a question or a statement if it has been referred by him/her to another member or to an officer but there is to be no general debate. If a question or statement relates to an item on the agenda, points arising from it may be pursued when the item is under consideration. If an item is not on the agenda, members are entitled to request its inclusion at a future meeting.

What if there is any dispute about procedure or the interpretation or application of these rules?

The Chair's decision is final.

2. *Public speaking at Planning Committee*

Members of the public, or applicants or their agents, who want to speak about an application which is to be considered at a meeting of the committee can do so if they have:

- In the case of members of the public, already submitted a written representation on an application; and
- Notified the Administrator by 12.00 noon on the day before the meeting.

A member of the public who has made a written representation on a planning application which is to be determined by the committee, will be notified in writing about the committee date and their public speaking rights in the week before the committee meeting.

At the Committee Meeting

A list of public speakers is available at the meeting. Agenda items for which there are public speakers are taken first, normally in the order of the agenda.

Each speaker will be allowed three minutes in which to make their representation. The Chair will tell the speaker when the three minutes has elapsed and the speaker must stop when requested by the Chair. The Chair has discretion to extend this time limit.

If more than one person wants to make a representation about the same application, then they should choose someone to act as a spokesperson. When several people wish to speak on the same application but wish to raise different issues, the Chair may agree to those speakers making representations. In these circumstances, less time may need to be given to each speaker.

The Chair will ask the speaker to come to the table at the beginning of the discussion of the report on the relevant application. The Chair will then invite them to speak following the Officer's introduction to the report on the application.

The speaker should address the Chair of the Committee, which is the normal convention for Committees.

Appendix B

Speakers should remember to:

- Keep to 3 minutes or whatever other period has been agreed.
- Keep to the planning issues raised by the application.
- Highlight the main points they wish to raise and be as brief and concise as possible.
- Be courteous.
- At the end of public speaking, the Committee will discuss and determine the planning application.

If a speaker is attending the meeting to speak about a particular matter which Councillors are considering on that day, the Chair of the meeting will arrange for the relevant item and associated report to be considered early in the meeting, so that the speaker can leave as soon as the debate on that matter has finished. Speakers can, of course, stay for the whole of the remaining public meeting if they wish.

The Public Participation Scheme is intended for Cambridge citizens and business people and not specifically employees in relation to issues directly affecting their employment by the Council. For further advice on this contact the relevant committee manager responsible for the meeting you are interested in.