



### Civic Affairs

**Committee Members:** Councillors McPherson (Chair), Benstead (Vice-Chair), Cantrill, Gawthrope, Holt and Robertson

**Alternates:** Councillors Adey and Ratcliffe

*Published & Despatched: Monday, 19 September 2016*

**Date:** Tuesday, 27 September 2016  
**Time:** 6.00 pm  
**Venue:** Committee Room 1 & 2 - Guildhall  
**Contact:** Sarah Steed

### AGENDA

#### 1 APOLOGIES FOR ABSENCE

#### 2 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 Monitoring Officer before the meeting.

#### 3 MINUTES OF PREVIOUS MEETING

To approve the minutes of the meeting held on ...

#### 4 PUBLIC QUESTIONS

#### 5 STATEMENT OF ACCOUNTS 2015-16 *(Pages 5 - 178)*

#### 6 INTERNAL AUDIT PLAN 2016 / 2017: PROGRESS REPORT *(Pages 179 - 192)*

#### 7 2016 REVIEW OF ELECTIONS *(Pages 193 - 202)*

- 8        POLLING DISTRICT REVIEW *(Pages 203 - 206)***
- 9        ANNUAL COMPLAINTS REPORT 2015-16 *(Pages 207 - 236)***
- 10      ANNUAL REPORT ON FREEDOM OF INFORMATION, DATA  
PROTECTION AND TRANSPARENCY *(Pages 237 - 254)***
- 11      FINDINGS OF THE REVIEW INTO PUBLIC PARTICIPATION IN THE  
COUNCIL'S DECISION-MAKING *(Pages 255 - 274)***
- 12      APPOINTING PERSON: ARRANGEMENTS FOR THE APPOINTMENT  
OF THE EXTERNAL AUDITOR *(Pages 275 - 280)***
- 13      MEETING CALENDAR REPORT *(Pages 281 - 284)***

## 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.

### Public Participation

Some meetings may have parts that will be closed to the public, but the reasons for excluding the press and public will be given.

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.

Speaking on Planning or Licensing Applications is subject to other rules. Guidance for speaking on these issues can be obtained from Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

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**Facilities for disabled people**

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## CAMBRIDGE CITY COUNCIL

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REPORT OF: Head of Finance

TO: Civic Affairs Committee

14/09/2016

WARDS: None directly affected

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

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#### **1 INTRODUCTION**

- 1.1 The external audit of the Statement of Accounts for 2015/16 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 For 2015/16 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 2016 be approved.

- 2.3 That the Chair of the meeting be authorised to sign the Letter of Representation and Statement of Accounts for the financial year ending 31 March 2016 on behalf of the Council.

### **3. BACKGROUND**

- 3.1 Approval of the Statement of Accounts for 2015/16 by the Civic Affairs Committee and publication of those accounts is required by 30 September 2016, in line with the Accounts and Audit Regulations.
- 3.2 The Civic Affairs Committee reviewed the draft Statement of Accounts for 2015/16 on 29 June 2016. Ernst and Young have since been carrying out their audit. The changes made to the accounts agreed to date 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 based on that provided last year is included at Appendix B.

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

- 4.1 To date, one change has been made to the Statement of Accounts. In collating evidence for a sample of transactions, officers identified that the value of capital expenditure estimated for two housing redevelopments was misstated by a total of £782k as a result of a

double counting of some creditors at the year end. To put this figure into context, additions to assets under construction in 2015/16 exceed £30million. This error arose as a result of generating the entries on housing redevelopments simultaneously with the manual creditors process and earlier in the closedown period. We have already determined a process change for 2016/17.

- 4.2 The impact of this adjustment is to reduce the value of Property, Plant and Equipment and short term creditors by £782k. To reflect the change in estimated capital expenditure, usable reserves have increased by £782k (£175k in the capital receipts reserve and £607k in the Major Repairs Reserve). These changes are reflected in the balance sheet and Movement in Reserves Statement in the attached accounts, as well as relevant notes to the accounts.
- 4.3 The Council has discussed including a non-adjusting post balance sheet event note in the accounts in respect of the result of the EU referendum with the external auditors. As the Brexit vote was after the end of the financial year, this note would simply be a short narrative highlighting the possible impact, predominantly on property values. This note will be drafted close to the date the accounts are signed to ensure it reflects all available information.
- 4.4 Any further changes agreed to the draft version accounts will be highlighted to the Committee at the meeting.

## 5. **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 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 accounts will be published on the Councils 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 2015/16

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: 24 August 2016

Date of last revision: 24 August 2016





# **STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDING  
31 MARCH 2016**

**DRAFT – SUBJECT TO EXTERNAL  
AUDIT**

This document is available on our website at [www.cambridge.gov.uk](http://www.cambridge.gov.uk)

# Cambridge City Council Statement of Accounts 2015/16

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# Narrative Report

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The Statement of Accounts, set out on pages 1 to 103, contain a series of statements, summarising the financial implications to the Council of delivering services in the period from 1 April 2015 to 31 March 2016. In addition, details of the Council's assets and liabilities at the beginning and end of the Council's financial year are presented.

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 10.

The accounts aim to provide information so that members of the public, including electors and residents of Cambridge, Council Members, partners, stakeholders and other interested parties can:

- ◆ Understand the overarching financial position of the Council
- ◆ Have confidence that public money has been accounted for in an appropriate manner
- ◆ Be assured that the financial position of the Council is sound and secure

## Review of 2015/16

The City Council's priority strategic objectives for 2015/16 were set out in a series of Portfolio Plans. This section reports progress against those plans and other performance data, and gives a sense of how the funding reported in the accounts was used to achieve Council objectives. During 2015/16 we achieved the following under each portfolio:

### City Centre and Public Places

- ◆ Kept streets and open spaces in Cambridge clean and tidy. 97% of relevant land and highways was assessed as being at an acceptable level in 2015/16, which was slightly higher than the target of 96% for the year. We dealt with 1,238 incidents of fly-tipping and collected waste from 150 dog fouling bins across the city. We also removed 27 abandoned cars and 28 untaxed vehicles from the 356 cases we investigated and responded to 610 reports of graffiti. We maintained over 1 million square metres of grass on parks and open spaces.
- ◆ Began an improvement programme in the buildings and grounds of our bereavement sites to improve the services we can offer. We also put in place a more commercial approach for burials, cremations and commemorations and achieved efficiency savings of £105,000.

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- ◆ Launched the independent destination management organisation, *Visit Cambridge and Beyond*, in February 2016 to deliver tourism services in the Cambridge area. Over the course of the year, the service saw income growth of 8%.
- ◆ Initiated a review of our Streets and Open Spaces service, aiming to identify operational efficiencies and deliver budget savings. The review was originally envisaged to be completed by the end of 2015/16, but is now scheduled for completion in 2016/17.
- ◆ Published a public tree strategy setting out the Council's policies for the management of trees in the city. Local people were able to participate in an extensive consultation exercise, so that effective arrangements for the care of trees could be put in place.
- ◆ Began a review of the Council's moorings policy, including service provision and associated fees and charges, taking into account the views of the public, boat occupants and others. The review was due to be completed by the end of 2015/16, but its findings will now be reported to committee in October 2016.
- ◆ Ran a pilot Cambridge civic pride campaign. This increased the involvement of community groups, "friends" groups and individual volunteers in looking after their local environment. Initiatives included community clean-ups, community litter-picks and an anti-dog fouling campaign. A total of 153 volunteer hours have been secured so far, which will form the baseline for activity in future years.
- ◆ Strengthened our relationship with Parks' Friends Groups, setting out how we will work together in a mutually beneficial and constructive way, to help improve parks and open spaces in the city.
- ◆ Put in place a city centre accessibility statement and supporting action plan, following a review, to help people with disabilities to navigate and access services in the city centre.

### Housing

- ◆ 137 new affordable homes were completed on strategic growth sites against a projected figure of 99; along with 62 new social homes completed through the City Council's own development programme (against an original projection of 95).
- ◆ Prepared, with partners, a successful business case for a Greater Cambridge Housing Development Agency. This will be under the auspices of the Greater Cambridge City Deal and will help deliver new affordable housing in the area.
- ◆ Ensured that 100% of affordable new housing from registered providers was built to level 4 of the code for sustainable homes standard.
- ◆ Worked with health and social care partners to support vulnerable people in sustaining independent lifestyles and housing in community settings. This included increasing the number of intermediate care beds at Ditchburn Place and the development of a hospital discharge protocol, joint funding of a new county-wide Handyperson service to help reduce falls in the home and membership of a Falls Prevention Steering Group. We also supported the local Mental Health Crisis Concordat Declaration.
- ◆ Continued to act as the landlord for 7,118 council houses in Cambridge. We collected 98.45% of rents due from these properties during 2015/16, against a target of 98.0% for the year. An average of 86% of tenants were satisfied with estate services across the four quarters of

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2015/16, against a target of 90% for the year. 99.8% of responsive repairs were completed with the target time, against a target of 99% for 2015/16.

- ◆ Identified £1.5 million of savings in the Council's housing landlord service following a fundamental review. This review followed the implementation of national legislation which led to a 4% reduction in rental income.
- ◆ Agreed the Cambridge Landlord Accreditation and Safety Scheme to improve standards of private rented property in the city and begun to implement its commitments, which included introductory landlord training and Legionnaires awareness courses, the development of a draft Cambridge Property Standard and the appointment of an officer to reduce the number of empty properties.
- ◆ Investigated over 250 cases relating to housing disrepair, poor management and tenancy (such as illegal eviction and harassment). Most of these cases were resolved without the need to resort to formal action but where required we undertook effective enforcement action. A total of 30 statutory notices were served and we successfully undertook prosecutions for 5 properties.
- ◆ Focussed our housing advice service on reducing homelessness. This helped prevent nearly 800 homelessness cases by offering early advice about alternative housing options. A Social Lettings Agency (Town Hall Lettings) was also established to provide routes to appropriate housing.
- ◆ Contained rough sleeping increases to 12.6% in the city against a backdrop of 31% nationally. The number of individuals sleeping rough in Cambridge rose from a baseline target of 135 to 152 in 2015-16.
- ◆ Ensured that the average number of households in bed and breakfast at any one time was at 3.25, below our target of 5.
- ◆ Reduced homelessness decision times from an average of 45 working days in 2014-15 to 26 working days in 2015-16, with the percentage of homelessness decisions made within target (33 working days) rising to 74% from 56% in 2014-15.
- ◆ Ensured that no City Homes tenant was evicted solely because of the removal of the "spare room subsidy".

### Planning Policy and Transport

- ◆ Carried out work on the Local Plans to support their examination in public and further work identified by the Inspector and consulted publicly on associated Modifications to Plan.
- ◆ Articulated the interests of Cambridge in strategic planning work at sub-regional level and in the ongoing working arrangements with the Local Enterprise Partnership.
- ◆ Continued to work jointly with the County Council and South Cambridgeshire District Council on activities supporting the implementation of Greater Cambridge City Deal projects. Progress has been made with Phase 1 City Deal schemes and the first City Deal planning application for the Chisholm Trail is expected to be submitted by the end of May 2016.
- ◆ Dealt with around 1,600 planning applications. Planning application performance generally remained above government targets and a new discharge of conditions process was introduced to further improve performance. 97% of major planning applications were determined within 13

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weeks, compared to a target of 65% for 2015/16. 74% of minor applications were determined with 13 weeks, which was above the target of 65% for the year.

- ◆ The North West Cambridge development is a finalist for an RTPI Excellence award and a range of other projects have been nominated for design awards.
- ◆ Planning enforcement performance has been variable during a period of staff turnover.
- ◆ Put in place further 20 mph zones in the East area plus Victoria Road to help improve road safety for all users and facilitated increased use of alternative modes of travel. The 2015 Cambridgeshire County Council Traffic monitoring report showed a 4.7% increase in cycling in Cambridge from 2014.
- ◆ Established a business case for a preferred option for the redevelopment of the Park Street car park site. This was approved in January 2016 and will see an increase in the number of cycle parking spaces available in the centre of Cambridge. 28 additional spaces were put in place in Guildhall Street and the racks in Sidney Street re-orientated to accommodate more cycles.
- ◆ Implemented a new shared Building Control Service to the agreed timetable and continued work towards a shared planning service.
- ◆ Continued to manage car parks in the city. There were 2,438,741 visits to Council car parks in 2015/16, which exceeded the target of 2,427,196 for the year. We started to offer season tickets at our multi-storey car parks, offering low-emission vehicles a discount.

### Communities, Arts and Recreation

- ◆ Helped give debt and other financial advice to those who need it and increased access to affordable loans, bank accounts and other financial products for those who currently have difficulty accessing them. This has included putting in place an 'AdviceHub' in our Customer Services reception area to provide a 'one stop shop' approach to addressing the needs of customers, with access to Citizen's Advice Bureau, Credit Union and HB/Homelink and Universal Credit, Home Energy and tenancy support services.
- ◆ Promoted financial education and saving with young people by setting up a Junior Savers project with a local school. 70 accounts were opened in Kings Hedges School in the year and the project is set to continue into the future with further children joining.
- ◆ Continued to offer activity programmes, places to meet and spaces available for hire at our community centres. There were 138,705 visits to Council community centres in 2015/16, which exceeded the target of 135,000 visits for the year. 83% of visits were by people from priority groups (including children and young people, older people, families, local people, people with disabilities, and BAME people), which was higher than the target of 82%.
- ◆ Initiated a review of community provision. The timetable for this was revised in January 2016 with an update report now going to scrutiny committee in June 2016.
- ◆ Supported the implementation of the new cultural trust, Cambridge Live. Performance against its business plan has been on track.
- ◆ Put in place management approaches for new community facilities at Storey's Field and Clay Farm.



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- ◆ Continued to provide a range of leisure facilities, including indoor and outdoor swimming pools, gyms and outdoor pitches. There were a total of 532,892 swims in Council swimming pools, against a target of 525,000 for 2015/16. There were a total of 222,869 non-swimming visits to Council sports facilities, against a target of 175,000 for 2015/16.
- ◆ Identified sports facilities for North West Cambridge, although development work was delayed due to delays in house building.
- ◆ Delivered seven out of ten prioritised s106-funded capital projects, with the remaining three being grants to external organisations that are not yet ready to complete their projects and receive the allotted funds.
- ◆ Increased the participation of people on low incomes in our community, leisure and arts facilities. Concession members increased by 3.3% and disability members by 12.6%. We also provided targeted activities, including swimming lessons for low income families with young children with 290 children attending as a result of referrals from local schools and family centres.
- ◆ Extended the influence young people have in the Council's decision-making at the Council's Area Committees through a Young People's Engagement Project. The project included carrying out a children's survey and holding Agenda Days. These highlighted issues about parks and litter and changes have been made as a result of the views the young people expressed.
- ◆ Put in place an Arts Plan that will provide a framework to help support local community groups and partnerships in the city. Over 1100 individuals and groups are now members of Cambridge Arts Network and receive regular newsletters. 110 people attended the Cambridge Arts Network conference in March, including over 30 separate community groups.
- ◆ Revised our sports development service, which now promotes greater opportunity for residents in disadvantaged communities to lead healthy, active lives. Work has included running popular Doorstep clubs and Street Games as well as other activities.
- ◆ Publicly marked the end of World War 2, including a focus at the Big Weekend that included community and civic engagement with speeches from the Mayors of Cambridge and Heidelberg.
- ◆ Improved understanding in organisations of our Community Grants criteria and eligibility to help increase the quality of applications, so that the grant is used in a way that most benefits Cambridge residents. Work included, revising application documents, holding application briefings and the offering officer support, partnering with Cambridge Council for Voluntary Service and Cambridge Ethnic Community Forum for specialist and individual support.

### Environment, Waste and Public Health

- ◆ Collected just over 20,000 tonnes of material for recycling from the blue and green bins and recycling points across the city. Some 89 tonnes of bulky waste and recyclable material were also collected at community clear-up days. 43.3% of household waste was sent for reuse, recycling or composting against a target of 45.3%.
- ◆ Relocated our waste operation to Waterbeach as part of our shared waste service with South Cambridgeshire District Council. Current service standards have been maintained through this change.

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- ◆ Increased the amount of commercial food waste recycled. Monthly tonnage now exceeds the target of 40 tonnes per month and is achieving a saving on our landfill costs of over £2,000 per month.
- ◆ Continued to our work to protect tenants by driving down anti-social behaviour. We investigated almost 1,600 neighbour cases and in the vast majority our initial input was enough to improve the situation but where it was not we took action, successfully conducting 10 prosecutions.
- ◆ Received 1,897 complaints relating to noise nuisance and served a total of 44 abatement notices, with nine successful prosecutions where notices had not been complied with.
- ◆ Inspected food premises in the city and prompted improvements to hygiene practice where necessary. 613 inspections of food premises were carried out against a target of 778 for 2015/16. 92.3% of businesses inspected were compliant, which was slightly below the target of 93% for 2015/16.
- ◆ Contributed to the Healthier Catering Commitment for Cambridgeshire / Healthier Options project and although this project did not secure the engagement of schools a more direct approach to local community groups has been developed to take this work forward.
- ◆ Supported work to improve the take up of low emission taxis and buses. Work included the submission of a funding bid to the Office for Low Emission Vehicles (OLEV), in partnership with the County Council, to support the introduction of hybrid and electric vehicles into the bus and taxi fleets in Cambridge. The policy was originally due for adoption by the end of 2015/16 but due to the delay in OLEV giving guidance the policy is due to go to committee in June and October 2016.
- ◆ Initiated a review of the Council's public toilets and public realm bin provision to improve our operational efficiency and use of these assets. The location of all street and open space bins has been digitally mapped and the information made publicly available on our website. The public toilet review was originally envisaged for completion by the end of 2015/16, but is now scheduled for completion in 2016/17.
- ◆ Carried out 14 'Ward Blitzes' in the year to improve the quality of public realm. Environmental Data Reports were used at our area committees to help target local action, including education and enforcement. Over 200 abandoned locks were removed from the city centre as part of a clean-up initiative and a new agreement made with the OWL charity at Papworth Trust to receive unclaimed bikes.
- ◆ Initiated a plan to relocate the Streets & Open Spaces service from Mill Road Depot to Cowley Road. Implementation of the relocation plan, as part of wider Mill Road Depot redevelopment scheme, is anticipated in late 2016/17.

### Strategy and Transformation

- ◆ Continued to respond to enquiries from residents, businesses, members of the public and others. We handled over 275,000 telephone enquiries, 40,000 face-to-face enquiries, and 30,000 email transactions through the Council's Customer Service Centre (CSC). 86% of calls to the CSC were resolved at first point of contact, which was slightly below the target of 90% for 2015/16. Average waiting times at the CSC were 8 minutes and 16 seconds, which was below the target of 10 minutes for 2015/16.

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- ◆ Established shared service operations in Legal, ICT and Building Control with our partners at South Cambridgeshire District Council and Huntingdonshire District Council designed to save 15% of overall costs.
- ◆ Developed the Council's digital strategy. Although it was not finally agreed by the end of 2015/16 as originally envisaged, some projects have progressed including investment in digital inclusion projects delivered by community groups.
- ◆ Supported work on the City Deal infrastructure programme, skills targets and affordable housing projects, to support the sustainable growth of the Greater Cambridge economy.
- ◆ We have not initiated a governance review for a combined authority for Greater Cambridge as focus has shifted onto the devolution agenda in the light of Government policies and proposals.
- ◆ Worked with partnering councils to progress proposals for devolution, albeit complicated by the Government's proposals for an East Anglian devolution deal late in the year.
- ◆ Worked with councils in similar "fast growth" cities to identify the opportunities challenges facing cities experiencing high levels of high-value growth and to make the case for policy flexibility to Government.
- ◆ Supported, with City Deal partners, the establishment of a Cambridge Promotions Agency.
- ◆ Dealt with 588 reports of anti-social behaviour of which 228 involved intensive casework.
- ◆ Strengthened our partnership working with the police, including putting in place a local "Prevent" initiative (a British-born imam ran a number of group sessions for young people in a local mosque). We produced an action plan for working together following a community engagement event and conducted training for over 160 plus frontline staff on their responsibilities under 'Prevent'.
- ◆ Resettled 3 refugee families (14 individuals) within Cambridge under the Syrian Vulnerable Person Resettlement Scheme and have committed to taking to take 50 refugees in total.
- ◆ Gained "White Ribbon Campaign" status in February 2015 and started to deliver on the first year of its action plan, including a forum on domestic and sexual violence/abuse, which brought together the different communities in Cambridge. A new Council webpage was developed and shared with the community providing information on our Housing Advice Service and links to the County Domestic Abuse & Sexual Violence Partnership, which maintains an up-to-date Domestic Violence Directory.
- ◆ Worked with the Office of the Police & Crime Commissioner on their restructure of restorative justice in the city and 21 referrals were made to the scheme from the police, city council and local housing authorities
- ◆ Ran a programme of awareness-raising sessions in secondary schools, with a focus on anti-social behaviour, healthy relationships and alcohol to around 900 students. Arranged street surgeries in the Abbey area to raise awareness with residents and attended community events to do the same.
- ◆ Worked with other partners to deal with anti-social behaviour associated with some of the street-life community, such as begging, street drinking and rough sleeping. There are a number of preventative activities in progress, such as joint begging patrols by Council officers, Police and

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the Street Outreach Team, revitalising the Alternative Giving Scheme and delivering workshops on community safety and anti-social behaviour as part of tenancy resettlement work in hostels. Enforcement action is also being considered where individuals are not engaging and their behaviour is having a significant impact on the wider community.

- ◆ Introduced a Public Spaces Protection Order in Petersfield Green, the front garden of Ditchburn Place and Mill Road Cemetery in June 2015. There has been one breach of the order and positive feedback from the public.

### Finance and Resources

- ◆ Continued to administer housing benefit and support for council tax. We paid £39m in Housing Benefit and £6.35m in Council Tax support to approximately 8,200 people. The average number of days taken to process new claims in 2015/16 was 15 days, which was below the target of 16 days.
- ◆ Ensured that on-going welfare reforms are efficiently and effectively planned, managed and implemented, and that support is given to the most vulnerable in the city, trying to mitigate hardship where possible. Work included scrutiny of regulations to ensure awareness of the impact of changes, supporting vulnerable customers, offering Discretionary Housing Payments where appropriate and engaging with internal and external partners.
- ◆ Supported the initial roll-out of Universal Credit and worked with partners to provide support to the most vulnerable who will be claiming. This involved entering into a Delivery Partnership Agreement with the DWP and arranging with Cambridge CAB to facilitate personal budgeting support referrals.
- ◆ Invested in our commercial property portfolio to enhance the Council's income and thereby provide funding for a range of frontline services.
- ◆ Agreed an Office Accommodation Strategy to consolidate office space and costs.
- ◆ Continued to develop and implement a transformation programme to deliver efficiencies and modern services.
- ◆ Required all our new contractors to pay the Living Wage Foundation's Living Wage and reviewed our existing contracts to identify opportunities to introduce a requirement to pay it. We also promoted Living Wage accreditation to local businesses and organisations. By the end of the year 36 employers in the city were accredited.
- ◆ Agreed an Anti-Poverty Strategy, with an action plan, and started delivery of that action plan, in particular, supporting voluntary organisations in tackling poverty. Work included:
  - helping residents on low incomes to reduce their energy and water costs
  - increasing the number of apprenticeship opportunities in City Council services
  - providing 1,000 free holiday lunches to families
  - running cooking skills sessions
  - providing nursery provision at Buchan Street and Romsey Mill
  - assisting people who need it get debt and other financial advice, and
  - increased access to affordable loans, bank accounts and other financial products for those who currently have difficulty accessing them.

# Narrative Report

## Revenue Spending and Income

### General Fund Services

For 2015/16, the Council agreed a budget for net spending by committees of £19.3 million. The Council Tax for City Council services was set at £176.75 for Band D properties.

The outturn figures, as reported to members, do not reflect a number of statutory accounting adjustments made at the year end. These accounting adjustments do not impact on the level of General Fund Reserves.

Note 9 to the accounts reconciles the actual outturn figures to the results presented in the Comprehensive Income and Expenditure Statement.

The table below compares the outturn figures for the General Fund with the revised budget.

(£000s)	Final Budget	Actual	Difference
Community Services	9,990	9,860	(130)
Environment	7,933	6,754	(1,179)
Housing (General Fund)	3,393	3,311	(82)
Strategy & Resources	(2,018)	(3,591)	(1,573)
<b>Total Committee Expenditure</b>	<b>19,298</b>	<b>16,334</b>	<b>(2,964)</b>
Capital accounting adjustments	(5,423)	(5,423)	0
Capital Plan Expenditure Funded from General Fund Reserves	10,742	8,534	(2,208)
Contribution to NNDR earmarked reserve – recovery of deficit in future years	0	497	497
<b>Total</b>	<b>24,617</b>	<b>19,942</b>	<b>(4,675)</b>
<b>Financed by:</b>			
Revenue Support Grant	(3,012)	(3,012)	0
New Homes Bonus	(4,963)	(4,976)	(13)
Non-domestic rates share - net income	(680)	(1,132)	(452)
Non-domestic rates reliefs - compensatory government grants	(829)	(964)	(135)
Other grants	0	(86)	(86)
Council Tax	(6,998)	(7,000)	(2)
Contributions from Earmarked Reserves – before statutory accounting adjustments	(7,036)	(7,259)	(223)
Contributions to/(from) General Fund Reserves	(1,099)	4,487	5,586
<b>Total</b>	<b>(24,617)</b>	<b>(19,942)</b>	<b>4,675</b>

The Council's actual net committee revenue expenditure was £2,964,000 less than the final budget set for the year. A variety of factors contributed to this overall position including overachievement of

## Narrative Report

income on car parks, commercial property and waste totalling around £1,400,000, and an underspend on staff costs (net of agency costs) of around £730,000.

The total amount of capital expenditure funded from revenue was below the budget by £2,208,000 largely reflecting slippage on the timing of expenditure.

Under statutory regulation the amount of business rates credited to the General Fund in 2015/16 is based on an estimate, with any resulting difference being recovered from the General Fund, or paid to it in future years. Taking into account the levy payment due to central government for the year on growth above the assumed baseline, the charge for recovery of previous years' deficits and business rate relief compensatory grants from central government, the income credited to the General Fund was £587,000 above the budget. However, £497,000 will be paid back to the Collection Fund in future years and this has been set aside in an earmarked reserve.

Overall, a net contribution to General Fund reserves of £4,487,000 was made against a budgeted use of reserves of £1,099,000. At the 31 March 2016 the reserve stood at £16,012,000.

### Housing Revenue Account

The table below compares the final outturn figures (before statutory accounting adjustments) for the HRA as reported to Housing Scrutiny Committee in June 2016, with the final budget for 2015/16.

(£000s)	Final Budget	Actual	Difference
Dwellings Rents and Other Income	(41,189)	(41,240)	(51)
Expenditure	27,503	23,144	(4,359)
<b>Net cost of HRA services</b>	<b>(13,686)</b>	<b>(18,096)</b>	<b>(4,410)</b>
Interest receivable on HRA balances	(326)	(466)	(140)
Loan Interest	7,541	7,541	0
Depreciation adjustment (transfer from Major Repairs Reserve)	(3,285)	(770)	2,515
Revaluation loss on non-dwelling assets	0	186	186
Direct Revenue Funding of Capital	20,191	17,101	(3,090)
Contributions from HRA earmarked reserves to General HRA reserves – before statutory adjustments	0	(422)	(422)
<b>(Surplus)/deficit for the year</b>	<b>10,435</b>	<b>5,074</b>	<b>(5,361)</b>

The variance on the depreciation adjustment of £2,515,000 compensated for a reduced depreciation charge included in the expenditure line, following a review of remaining useful dwelling lives during 2015/16. There was also a significant underspend in repairs and maintenance, the majority of which resulted from the planned maintenance programme. Employee related costs were lower across the HRA than budgeted.

There was an underspend on direct revenue funding of capital of £3,090,000, of which £1,686,000 has been rephased into 2016/17. Overall the outturn position was a contribution from HRA reserves of £5,074,000 against a budget of £10,435,000. HRA reserves stood at £9,791,000 at 31 March 2016.



# Narrative Report

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## Earmarked Reserves

There was an overall reduction in General Fund earmarked reserves of £8,080,000 in 2015/16. This reflected the review of reserves (particularly Repairs and Renewals Reserves) included in the February 2015 Budget Setting Report. Whilst some of these reserves were redesignated (for example £6,500,000 for an Invest for Income fund) around £8 million of these balances (along with other capital receipts) were invested in the year in new commercial property at Orchard Park in Cambridge and Cambridge Retail Park in Haverhill. These properties will generate the Council a significant rental income.

There was an overall reduction in HRA earmarked reserves of £204,000. This reflected the return of a number of balances to general HRA reserves.

## Capital Spending and Receipts

In 2015/16 the Council spent £42,424,000 on property, plant and equipment. Of this £10,124,000 was on major repairs and improvements to council dwellings, £1,512,000 on vehicles, plant and equipment and £30,003,000 on assets in the course of construction. Of the assets in the construction spend £20,012,000 was on new housing developments, including those on Clay Farm and at the Homerton college site, where construction commenced in the year. £12,058,000 was transferred from assets in the course of construction to HRA dwellings on completion of new homes, including on sites at Campkin Road, Wadloes Road and Atkins Close.

Expenditure on assets in the course of construction also included £4,040,000 on the new multi-agency community centre the Council is constructing at Clay Farm and £5,286,000 on homes being constructed to be let at intermediate market rents at Aylesborough Close and Water Lane, which will be managed by Cambridge City Housing Company, a wholly owned subsidiary of the Council.

As already discussed, the Council spent £9,626,000 on acquiring investment properties for rent at Orchard Park and Cambridge Retail Park in Haverhill.

Capital receipts continue to be generated through the sale of land, council houses, shared ownership dwellings and other property. The Council received £11,130,000 in the year, of which £857,000 had to be paid over to central government.

The Council's future commitments under capital contracts are detailed further in Note 19 to the accounts.

## Assets

Just as in the private sector, changes in the values of Council-owned property are reflected in the accounts each year. As a result of asset revaluations and the capital expenditure discussed above (and net of asset disposals) the value of Property, Plant and Equipment increased by £85,567,000 to £772,805,000 and the value of Investment Property increased by £22,509,000 to £144,274,000 as at 31 March 2016. Although these increases appear significant, it should be noted that revaluation increases are not realised until assets are disposed of.

## Liabilities

The Council did not need to undertake any new external borrowing during the year. The external debt of £214 million shown in the Balance Sheet at the end of the financial year relates to borrowing

## Narrative Report

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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.

The Council's share of the assets and liabilities of the County Pension Fund show an estimated net liability of £107.8 million at 31 March 2016. This liability has no impact on the level of the Council's available reserves.

The liability has reduced significantly this year as a result of an increase in the discount rate used by the actuary to estimate the Council's liability. Further information on this change and relating to the assets, liabilities, income and expenditure of the Council's pension scheme is presented in note 37.

### Cashflows

The balance of cash and cash equivalents at 31 March 2016 was £9,186,000. This excludes the Council's investments in fixed term deposits and other longer term investments which are detailed in note 23. Further information on cashflows for the year can be found in the cashflow statement and accompanying notes.

### Council Staff

The number of staff employed by the Council fell during the year from 884 full time equivalents at 31 March 2015 to 800 at 31 March 2016. This net reduction reflects the transfer of staff to Cambridge Live, Visit Cambridge and Beyond and the Council's new external cleaning contractor. The number of staff employed by the Council was also significantly impacted by the commencement of the 3Cs shared service on 1 October. Staff in Legal and Building control previously employed by Huntingdonshire and South Cambridgeshire District Councils transferred into the Council, whilst ICT staff previously employed by the Council transferred to Huntingdonshire.

### Looking ahead to 2016/17

The new community centre at Clay Farm is expected to open in the second half of the year and the homes for let at intermediate rent will be completed in 2016/17.

The Council's Business Transformation Programme will continue to develop major new initiatives, both in terms of sharing further services with other councils and in transforming those we continue to operate alone. Work has continued on reviewing the Council's building requirements, and a lease has been taken on premises in Cowley Road to facilitate the plan to vacate of the Mill Road depot site by March 2017. The Council has undertaken a senior management restructure to be implemented in April 2016.

Central government has announced a new, four year, spending deal for councils. Although the Council is well placed to deal with the challenges of reduced central government funding, including the phasing out of Revenue Support Grant and changes to New Homes Bonus, there will continue to be financial pressures on the Council. The Council will continue to work to understand the implications of the proposed move to 100% business rates retention and the risks that this will bring in the future.



## Further Information

Further information about the accounts is available from:

Head of Finance  
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 website.



# Statement of Responsibilities for the Statement of Accounts

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## 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 2016 and its income and expenditure for the year then ended.

**Caroline Ryba**  
**Head of Finance**  
**Date: 29 June 2016**



# Annual Governance Statement

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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](http://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 2015, 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 2016 and up to the date of approval of the 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

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- ◆ The Narrative 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. \*Portfolio Plans replaced by single Corporate Plan for 2016/17 onwards.
- ◆ The Council's Mid-Year Financial Review, which identifies how the Council will resource its aspirations and plans for any financial risks.
- ◆ The Budget Setting Report, which sets out the Council's overall spending plans for both revenue and capital expenditure.
- ◆ The Treasury Management Strategy and an Annual Treasury Report which reviews treasury management activities during the year and complies with the requirements of the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- ◆ 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.

## Annual Governance Statement

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- ◆ A corporate Risk Management Framework, which includes a Risk Management Strategy approved by Members and a comprehensive risk register identifying the key controls and actions required to manage the Council's principal risks.
- ◆ The 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 Programme Office, which commissions and monitors projects to implement change and transformation.
- ◆ The Council's consultations and surveys, including the budget consultation, which are 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.

## Annual Governance Statement

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- ◆ A Code of Best Practice on Consultation and Community Engagement, adopted by the Council which sets out the Council's approach to consultation.
- ◆ 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.

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 Head of Finance is the Council's Chief Financial Officer and fulfils the role of the S151 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. Whilst line management responsibility rests with the Director of Business Transformation, the Head of Finance is a full member of the Council's Strategic Leadership Team and reports 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 Chief Executive, the relevant Director, the Director of Business Transformation, the Council's Monitoring Officer, the Head of Finance (S151 Officer), the Leader of the Council and the relevant Executive Councillor. Each audit report contains an independent assurance opinion on the adequacy and effectiveness of the internal controls in place to mitigate risks. Management actions agreed in Internal Audit reports are entered into the Council's Risk Register and progress on their implementation is reported to and monitored by the Chief Executive and the Strategic Leadership Team. Implementation rates of agreed actions are also reported to Civic Affairs.

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



## Annual Governance Statement

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The Head of Finance is the Authority's Chief Financial Officer and is therefore responsible for the proper administration of the authority's financial affairs. The Head of Finance is line managed by the Director of Business Transformation but reports directly to the Chief Executive on financial matters and is a full member of the Strategic Leadership Team.

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

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

# Annual Governance Statement

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## Action Plan to Address Significant Governance Issues

Please note that the actions included in this action plan are to address both significant governance issues that have arisen during 2015/16, but also forward looking matters identified for 2016/17.

### 1 New Service Delivery Arrangements

Different services delivery arrangements have been introduced across a range of Council services, including shared service arrangements with South Cambs District Council and Huntingdonshire District Council for the delivery of Building Control, ICT and Legal Services and a Housing Development Agency and Cambridge City Housing Company.

Governance Arrangements have been established for these new service delivery arrangements, but it is important for the Council to understand whether these are working effectively and delivering expectations to our stakeholders with no undue risks.

#### Action

*[Target date & Officer Responsible]*

- ◆ Review the effectiveness of governance arrangements established for shared services and other service delivery arrangements to ensure they are working effectively.
- ◆ Identify any lessons learnt from the establishment of shared services and ensure these are communicated across the Council.
- ◆ An audit is included on the 2016/17 audit plan to undertake such a review.

*Head of Internal Audit  
31 March 2017*

### 2 Financial Management System

The Council is in the process of replacing its current financial management system, Oracle, with a new system. The Financial Management System is a key corporate system that underpins the whole of the Council's financial control arrangements and it is therefore imperative that there is a robust process for implementing the new system, incorporating key controls into all processes.

#### Action

*[Target date & Officer Responsible]*

- ◆ Ensure a robust process is established for the migration of data to the new financial management system and that interfaces with other key systems are thoroughly tested as part of the implementation plan.

*Head of Finance  
31 March 2017*

- ◆ Internal Audit to undertake additional testing to ensure the robustness of the above processes. (This is included as part of the 2016/17 audit plan).

*Head of Internal Audit  
31 March 2017*

# Annual Governance Statement

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## 3 Budget Management

A number of issues concerned with cost centre management arrangements have been highlighted following a recent audit of Project Delivery Arrangements within Streets and Open Spaces.

Financial management and budgetary control are key elements of the Council's governance framework and it is important therefore that these are properly controlled.

### Action

*[Target date & Officer Responsible]*

- ◆ Conduct audit of budgetary control arrangements, which is included as a corporate audit in the 2016-17 audit plan.

*Head of Internal Audit  
31 March 2017*

## 4 Capital Variance Reporting Arrangements

A number of issues regarding capital variance reporting arrangements have been highlighted by the audit identified in 3 above and also by the Finance Team and Capital Programme Board.

The arrangements for budget monitoring and reporting of significant variances are again key elements of the Council's governance arrangements and it is therefore important that these processes are robust and reliable.

A review of capital variance reporting arrangements by the Finance Team is now underway and a number of improvements to the process have been identified.

### Action

*[Target date & Officer Responsible]*

- ◆ Complete the review of Capital Variance Reporting arrangements and roll out agreed actions across the organisation.

*Head of Finance  
31 March 2017*

## 5 Information Security

Information Security remains a key risk to the Council and work is ongoing to implement appropriate controls and raise awareness of data security across the authority. A more structured approach to data incident reporting and responding has been developed and a recent audit of Data Security and Data Sharing Arrangements was given a significant assurance rating. This audit made a number of recommendations to ensure the Council has a complete record of what data it shares with other organisations and to mitigate the risk of future data breaches.

There have been a relatively small number of minor data security breaches during 2015/16, all of which have been addressed appropriately or are being addressed.

# Annual Governance Statement

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It is important that the Council continues to keep data security high on the agenda to ensure that it is effectively managed, particularly with the introduction of new service delivery arrangements for ICT and information management.

## Action

*[Target date & Officer Responsible]*

- ◆ Ensure implementation of agreed actions arising from recent audit review.

*Head of Corporate Strategy (as Chair of ISG)  
30 September 2017*

- ◆ The Information Security Group (ISG) to continue to raise awareness of data security issues and respond to data security breaches as appropriate.

*Head of Corporate Strategy (as Chair of ISG)  
31 March 2017*

## 6 Constitution/Financial Regulations

In addition to the introduction of shared services across a number of key service areas, a new senior management structure has also recently been implemented across the Council.

Both of the above will have implications for key roles and responsibilities as set out in the Council's Constitution and Financial Regulations.

## Action

*[Target date & Officer Responsible]*

- ◆ Review and update the Council's Constitution and Financial Regulations/ Financial Procedures Rules to reflect the changes in the Council's new senior management structure and new shared service arrangements for Legal, ICT and Building Control.
- ◆ Consider the merits of removing Financial Regulations from the Constitution and maintaining them as a separate 'Technical Guide'.

*Monitoring Officer / Head of Finance (S151 Officer)  
31 March 2017*

## 7 Cambridge Live

In April 2015 'Cambridge Live' was established as a charitable trust to take over the running of the Corn Exchange and the Folk Festival, plus a range of outdoor events on behalf of the Council. The Council continues to support Cambridge Live. It is now timely to review the arrangements between the Council and the Trust to ensure the Trust is delivering to expectations.

## Action

*[Target date & Officer Responsible]*

- ◆ Review the arrangements between the Council and the trust to ensure the Trust is delivering to expectations.
- ◆ A review of this area is included on the 2016/17 audit plan.

# Annual Governance Statement

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*Head of Internal Audit  
31 March 2017*

## 8 HSE Investigation

A serious incident occurred at the Bonfire Night event in November 2015, in which a member of the public was seriously injured. An HSE investigation is still ongoing.

The Council has conducted a review of its approach to managing events on its open spaces, based on advice received from the Health and Safety Executive (HSE), and continues to work with Cambridge Live to address issues arising from this incident.

### Action

*[Target date & Officer Responsible]*

- ◆ Ensure that the lessons learnt from the outcomes of the above incident are effectively and appropriately shared with other services across the Council and put into practice to improve controls.

*Strategic Director  
31 March 2017*

## 9 Loss of Key Staff

One of the key effects of the significant changes being implemented across the Council, as described in 6 above, is the considerable loss of knowledge and experience as staff, and in particular key staff, leave the organisation in a short space of time.

This could have an impact on service delivery not only for the services concerned (i.e. ICT, Legal Services and Building Control) but also for the services that they support. This currently represents a significant risk to the Council.

- ◆ Identify lessons that could be learned from experiences to date (particularly in relation to ICT) to help the organisation manage such transitions more effectively in future.
- ◆ Implement more robust arrangements for succession planning to ensure that where key staff are leaving the organisation, adequate preparation is made for this. This should include identification of their key roles and responsibilities, so that these continue to be fulfilled, and an appropriate handover plan, including handover notes and discussions. Where key roles and responsibilities are being transferred, it should be ensured that there is sufficient resource in place and that officers have the right level of skills and knowledge to undertake any new roles. Any changes in responsibility should be communicated across the Council.

*Strategic Leadership Team  
31 March 2017*

**Councillor Lewis Herbert**  
**Leader of the Council**  
**Date:**

**Antoinette Jackson**  
**Chief Executive**  
**Date:**



## **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 2015/16

(£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
<b>Balance at 1 April 2015</b>	(11,525)	(25,867)	(14,865)	(4,170)	(22,084)	(2,219)	(11,437)	(92,167)	(477,300)	(569,467)
Movement in reserves during 2015/16										
(Surplus) / deficit on the provision of services	(14,416)	0	(24,230)	0	0	0	0	(38,646)	0	(38,646)
Other comprehensive income and expenditure	0	0	0	0	0	0	0	0	(71,423)	(71,423)
<b>Total Comprehensive income and expenditure</b>	<b>(14,416)</b>	<b>0</b>	<b>(24,230)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(38,646)</b>	<b>(71,423)</b>	<b>(110,069)</b>
Adjustments between accounting basis and funding basis under regulations (Note 4)	18,009	0	29,508	0	(1,867)	(1,049)	3,237	47,838	(47,838)	0
<b>Net (increase) / decrease before transfers to earmarked reserves</b>	<b>3,593</b>	<b>0</b>	<b>5,278</b>	<b>0</b>	<b>(1,867)</b>	<b>(1,049)</b>	<b>3,237</b>	<b>9,192</b>	<b>(119,261)</b>	<b>(110,069)</b>
Transfers to / from earmarked reserves (Note 5)	(8,080)	8,080	(204)	204	0	0	0	0	0	0
<b>(Increase) / decrease in 2015/16</b>	<b>(4,487)</b>	<b>8,080</b>	<b>5,074</b>	<b>204</b>	<b>(1,867)</b>	<b>(1,049)</b>	<b>3,237</b>	<b>9,192</b>	<b>(119,261)</b>	<b>(110,069)</b>
<b>Balance at 31 March 2016</b>	<b>(16,012)</b>	<b>(17,787)</b>	<b>(9,791)</b>	<b>(3,966)</b>	<b>(23,951)</b>	<b>(3,268)</b>	<b>(8,200)</b>	<b>(82,975)</b>	<b>(596,561)</b>	<b>(679,536)</b>

# Main Financial Statements

## Financial Year 2014/15

(£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
<b>Balance at 1 April 2014</b>	<b>(8,990)</b>	<b>(23,973)</b>	<b>(8,880)</b>	<b>(4,320)</b>	<b>(17,593)</b>	<b>(4,919)</b>	<b>(11,058)</b>	<b>(79,733)</b>	<b>(453,550)</b>	<b>(533,283)</b>
Movement in reserves during 2014/15										
(Surplus) / deficit on the provision of services	3,042	0	(30,030)	0	0	0	0	(26,988)	0	(26,988)
Other comprehensive income and expenditure	0	0	0	0	0	0	0	0	(9,196)	(9,196)
<b>Total Comprehensive income and expenditure</b>	<b>3,042</b>	<b>0</b>	<b>(30,030)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(26,988)</b>	<b>(9,196)</b>	<b>(36,184)</b>
Adjustments between accounting basis and funding basis under regulations (Note 4)	(7,471)	0	24,195	0	(4,491)	2,700	(379)	14,554	(14,554)	0
<b>Net (increase) / decrease before transfers to earmarked reserves</b>	<b>(4,429)</b>	<b>0</b>	<b>(5,835)</b>	<b>0</b>	<b>(4,491)</b>	<b>2,700</b>	<b>(379)</b>	<b>(12,434)</b>	<b>(23,750)</b>	<b>(36,184)</b>
Transfers to / from earmarked reserves (Note 5)	1,894	(1,894)	(150)	150	0	0	0	0	0	0
<b>(Increase) / decrease in 2014/15</b>	<b>(2,535)</b>	<b>(1,894)</b>	<b>(5,985)</b>	<b>150</b>	<b>(4,491)</b>	<b>2,700</b>	<b>(379)</b>	<b>(12,434)</b>	<b>(23,750)</b>	<b>(36,184)</b>
<b>Balance at 31 March 2015</b>	<b>(11,525)</b>	<b>(25,867)</b>	<b>(14,865)</b>	<b>(4,170)</b>	<b>(22,084)</b>	<b>(2,219)</b>	<b>(11,437)</b>	<b>(92,167)</b>	<b>(477,300)</b>	<b>(569,467)</b>

# 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	2015/16			2014/15		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
Central services to the public		2,664	(833)	1,831	2,453	(763)	1,690
Cultural and related services	3	9,633	(1,173)	8,460	13,824	(4,555)	9,269
Environmental and related services		15,378	(6,615)	8,763	14,922	(6,464)	8,458
Planning Services		9,202	(3,296)	5,906	8,406	(3,238)	5,168
Highways and transport services	3	4,348	(10,383)	(6,035)	6,704	(9,858)	(3,154)
Housing Revenue Account	3	14,998	(41,265)	(26,267)	10,152	(40,045)	(29,893)
Other housing services		48,582	(41,780)	6,802	46,050	(41,135)	4,915
Corporate and democratic core		2,725	0	2,725	2,788	0	2,788
Non distributed costs		(2,185)	0	(2,185)	130	0	130
<b>Cost of Services</b>		<b>105,345</b>	<b>(105,345)</b>	<b>0</b>	<b>105,429</b>	<b>(106,058)</b>	<b>(629)</b>
Other operating expenditure	6	(227)	(3,113)	(3,340)	1,133	(5,143)	(4,010)
Financing and investment income and expenditure	3/7	14,061	(24,161)	(10,100)	12,846	(12,265)	581
Taxation and non-specific grant income	3/8	0	(25,206)	(25,206)	0	(22,930)	(22,930)
<b>(Surplus) / deficit on provision of services</b>	<b>9</b>	<b>119,179</b>	<b>(157,825)</b>	<b>(38,646)</b>	<b>119,408</b>	<b>(146,396)</b>	<b>(26,988)</b>
<i>Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services</i>							
(Surplus) / deficit on revaluation of Property, Plant and Equipment assets	3/33			(49,069)			(34,239)
Remeasurements of the net defined benefit liability	3/33			(21,786)			24,477
				<b>(70,855)</b>			<b>(9,762)</b>
<i>Items that may be reclassified to the (Surplus) or Deficit on the Provision of Services</i>							
Surplus or deficit on revaluation of available for sale financial assets				<b>(568)</b>			<b>566</b>
<b>Other comprehensive (income) / expenditure</b>				<b>(71,423)</b>			<b>(9,196)</b>
<b>Total comprehensive (income) / expenditure</b>				<b>(110,069)</b>			<b>(36,184)</b>

# 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 2016	31 March 2015
Property, Plant and Equipment	15	772,805	687,238
Heritage Assets		580	470
Investment Property	20/21	144,274	121,765
Intangible Assets		292	456
Long Term Investments	23	32,050	15,484
Long Term Debtors	24	1,270	1,146
<b>Long Term Assets</b>		<b>951,271</b>	<b>826,559</b>
Short Term Investments	23	56,801	86,318
Assets Held for Sale	25	4,295	9,708
Inventories		260	268
Short Term Debtors	26	13,270	11,790
Cash and Cash Equivalents	27	9,186	7,268
<b>Current Assets</b>		<b>83,812</b>	<b>115,352</b>
Short Term Borrowing	35/36	(82)	(82)
Short Term Creditors	28	(17,894)	(17,360)
Receipts in Advance	29	(3,713)	(4,287)
Provisions	30	(4,711)	(4,245)
<b>Current Liabilities</b>		<b>(26,400)</b>	<b>(25,974)</b>
Long Term Borrowing	35/36	(213,572)	(213,572)
Other Long Term Liabilities	37	(107,797)	(124,811)
Capital Grants Receipts in Advance	31	(7,778)	(8,087)
<b>Long Term Liabilities</b>		<b>(329,147)</b>	<b>(346,470)</b>
<b>Net Assets</b>		<b>679,536</b>	<b>569,467</b>
Usable Reserves	32	(82,975)	(92,167)
Unusable Reserves	33	(596,561)	(477,300)
<b>Total Reserves</b>		<b>(679,536)</b>	<b>(569,467)</b>

These financial statements replace those authorised for issue on 29 June 2016.

**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	2015/16	2014/15
Cash flows from operating activities			
Cash receipts		158,481	168,368
Cash payments		(139,124)	(132,568)
Net cash flows from operating activities	38	19,357	35,800
Net cash flows from investing activities	39	(22,516)	(35,259)
Net cash flows from financing activities	40	5,077	154
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>1,918</b>	<b>695</b>
Cash and cash equivalents at the beginning of the year	27	7,268	6,573
<b>Cash and cash equivalents at the end of the year</b>	<b>27</b>	<b>9,186</b>	<b>7,268</b>



## **NOTES TO THE MAIN FINANCIAL STATEMENTS**

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# Notes to the Main Financial Statements

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## 1 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out on pages 85 to 102, 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 affect 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 2016 is estimated to be £107.8 million and the estimated effects on the liability of changes in individual assumptions is disclosed in Note 37.

### 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 £765,000 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

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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 2016 following successful rating valuation appeals. The Council's share of this provision is £3.8 million as disclosed in Note 30. 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.

### Fair Value Measurements

When the fair value of assets and liabilities cannot be measured based on quoted prices in active markets (Level 1 inputs), their fair value is measured using valuation techniques. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.

Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value.

The most significant assets that the Council has measured at fair value in the balance sheet where level 1 inputs are not available are Investment Properties and surplus Property, Plant and Equipment. Significant changes in any of the unobservable inputs used in these valuations would result in significantly higher or lower fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities can be found in Notes 16, 21 and 35.

### 3 Comprehensive Income and Expenditure Account - Material Items of Income and Expenditure and changes in services

#### 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 net credit for reversal of previous revaluation losses of £9.3 million on council housing stock has been credited to expenditure within the HRA net cost of service line. The comparative figure for 2014/15 includes a net credit of £15.0 million. More detail on the movements in the value of the Council's housing stock can be found in note 15 to the main financial statements.

A net credit for reversal of previous revaluation losses of £2.1 million in respect of car parks has been credited to expenditure within the highways and transport net cost of service line. 2014/15 included a charge of £0.5 million.

Financing and investment income includes gains on the value of investment properties of £13.4 million (£3.5 million in 2014/15).

The Council's share of non-domestic rates income totalling £37.3 million (£36.2 million in 2014/15) and the tariff of £33.5 million (£32.9 million in 2014/15) payable to central government under the rates retention scheme have been included in taxation and non-specific grant income.

## Notes to the Main Financial Statements

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The surplus on revaluation of Property, Plant and Equipment includes a net £30.2 million gain (£24.2 million in 2014/15) in respect of the Council's housing stock.

There is a total credit for the measurements of the Council's net defined benefit pension liability of £21.8 million (a charge in 2014/15 of £24.5 million). This net figure reflects a number of aspects as detailed in note 37 to the accounts. Most significantly, there is a credit of £28.7 million (charge of £41.4 million in respect of 2014/15) reflecting a change in the financial assumptions used by the actuary to estimate the pension liability.

### Changes in Services

The Council transferred the running of the Cambridge Folk Festival, Corn Exchange and other arts services to a new arts trust charity, Cambridge Live on 1 April 2015, although it continues to pay the trust a sum for services as detailed in Note 12. For 2015/16 Cultural and Related Services includes expenditure of £939,000 (£4,959,000 in 2014/15) and revenue of £52,000 (£3,383,000 in 2014/15) in relation to this service area.

The Council transferred the running of the tourism service to Visit Cambridge and Beyond on 1 February 2016, but will continue to pay a subsidy as detailed in Note 12. For 2015/16 Cultural and Related Services includes expenditure of £718,000 (£796,000 in 2014/15) and income of £397,000 (£537,000 in 2014/15) in relation to this service.

### 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. The following sets out a description of the reserves that the adjustments are made against:

#### General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund balance therefore summarises the resources that the Council is statutorily empowered to spend its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. The balance is not available to be applied to fund Housing Revenue Account (HRA) services.

#### Housing Revenue Account (HRA) Balance

The HRA balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

## Notes to the Main Financial Statements

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### Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year end.

### Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

### Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital expenditure for which there are no outstanding grant conditions but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied.

## Notes to the Main Financial Statements

### Financial year 2015/16

(£000s)	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation and impairment of non-current assets	(5,416)	(8,711)	0	0	0	14,127
Net revaluation (losses)/gains on property, plant and equipment	3,077	9,329	0	0	0	(12,406)
Net revaluation (losses)/gains on assets held for sale	1,084	0	0	0	0	(1,084)
Movements in the market value of investment properties	13,321	99	0	0	0	(13,420)
Amortisation of intangible assets	(108)	0	0	0	0	108
Revenue expenditure funded from capital under statute and de minimis capital expenditure	(4,387)	(877)	0	0	0	5,264
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal	(7,105)	(4,286)	0	0	0	11,391
Private Sector Housing Loans Adjustment	4	0	0	0	0	(4)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Private sector housing loan repayments – original loan less than £10,000	(3)	0	0	0	0	3
Capital expenditure charged against General Fund and HRA balances	9,598	17,101	0	0	0	(26,699)

## 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	
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	3,828	1,455	0	0	(5,283)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	8,520	(8,520)
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	3,428	7,702	(11,130)	0	0	0
Other capital receipts	0	79	(79)	0	0	0
Transfer of capital receipts to administrative costs of disposal of non-current assets	(16)	(120)	136	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	11,010	0	0	(11,010)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(857)	0	857	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	(2,650)	0	0	2,650
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve:</b>						
Transfer of deferred sales proceeds credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal	3,403	0	0	0	0	(3,403)
<b>Adjustments primarily involving the Major Repairs Reserve:</b>						
Transfer allowed by statute between the HRA and Major Repairs Reserve	0	7,941	0	(7,941)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	6,892	0	(6,892)

## 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	
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>						
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	9	0	0	0	0	(9)
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(9,130)	(1,364)	0	0	0	10,494
Employer's pension contributions and direct payments to pensioners payable in the year	4,573	1,149	0	0	0	(5,722)
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
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	2,689	0	0	0	0	(2,689)
<b>Adjustments primarily involving the Accumulated Absences Account:</b>						
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	28	0	0	0	0	(28)
<b>Adjustments primarily involving the Housing Revenue Account:</b>						
Amounts transferred from the Housing Revenue Account to the General fund under statutory regulation	(11)	11	0	0	0	0
<b>Total adjustments</b>	<b>18,009</b>	<b>29,508</b>	<b>(1,867)</b>	<b>(1,049)</b>	<b>3,237</b>	<b>(47,838)</b>

## Notes to the Main Financial Statements

### Financial year 2014/15

(£000s)	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation and impairment of non-current assets	(4,989)	(10,330)	0	0	0	15,319
Net revaluation (losses)/gains on property, plant and equipment	(2,049)	15,024	0	0	0	(12,975)
Net revaluation (losses)/gains on assets held for sale	146	0	0	0	0	(146)
Movements in the market value of investment properties	3,481	(9)	0	0	0	(3,472)
Amortisation of intangible assets	(130)	0	0	0	0	130
Revenue expenditure funded from capital under statute and de minimis capital expenditure	(1,526)	(597)	0	0	0	2,123
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal	(935)	(10,051)	0	0	0	10,986
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Private sector housing loan repayments – original loan less than £10,000	(33)	0	0	0	0	33
Capital expenditure charged against General Fund and HRA balances	2,449	5,115	0	0	0	(7,564)



## 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	
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	3,386	1,230	0	0	(4,616)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	4,237	(4,237)
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	24	12,720	(12,744)	0	0	0
Other capital receipts	0	180	(180)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	7,178	0	0	(7,178)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(1,279)	0	1,279	0	0	0
Transfer to capital receipts reserve on receipt of loan payment	0	0	(12)	0	0	12
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	(12)	0	0	12
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve:</b>						
Transfer of deferred sales proceeds credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal	0	3,193	0	0	0	(3,193)
<b>Adjustments primarily involving the Major Repairs Reserve:</b>						
Transfer allowed by statute between the HRA and Major Repairs Reserve	0	7,929	0	(7,929)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	10,629	0	(10,629)

## 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	
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>						
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	34	0	0	0	0	(34)
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(8,966)	(1,262)	0	0	0	10,228
Employer's pension contributions and direct payments to pensioners payable in the year	4,050	1,045	0	0	0	(5,095)
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
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	(1,141)	0	0	0	0	1,141
<b>Adjustments primarily involving the Accumulated Absences Account:</b>						
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	15	0	0	0	0	(15)
<b>Adjustments primarily involving the Housing Revenue Account:</b>						
Amounts transferred from the Housing Revenue Account to the General fund under statutory regulation	(8)	8	0	0	0	0
<b>Total adjustments</b>	<b>(7,471)</b>	<b>24,195</b>	<b>(4,491)</b>	<b>2,700</b>	<b>(379)</b>	<b>(14,554)</b>

## 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 2015/16.

(£000s)	2014/15				2015/16		Balance at 31 March 2016
	Balance at 1 April 2014	Transfers In	Transfers Out	Balance at 31 March 2015	Transfers In	Transfers Out	
<b>General Fund:</b>							
Asset Repair and Renewals Reserves	(13,915)	(3,706)	3,257	(14,364)	(1,265)	12,936	(2,693)
Insurance Fund	(1,166)	(722)	991	(897)	(755)	635	(1,017)
Technology Investment Fund	(133)	0	4	(129)	0	0	(129)
Development Plan Reserve	(577)	(182)	208	(551)	0	296	(255)
Compulsory Purchase Order Compensation Reserve	(222)	0	0	(222)	0	222	0
Major Planning Appeals Reserve	(135)	(26)	0	(161)	0	161	0
Revenue Contributions to Capital	(136)	0	18	(118)	0	115	(3)
Efficiency Fund	(373)	(19)	175	(217)	0	81	(136)
Pension Reserve	(986)	0	0	(986)	0	986	0
Climate Change Fund	(347)	0	0	(347)	0	0	(347)
Keep Cambridge Moving	(436)	0	0	(436)	0	436	0
Business Rates Retention	(3,405)	(2,327)	1,292	(4,440)	(498)	3,169	(1,769)
Fixed Term Priority Projects	0	(286)	0	(286)	0	135	(151)
Sharing Prosperity	0	(493)	0	(493)	(325)	193	(625)
Invest for Income Fund	0	0	0	0	(6,500)	0	(6,500)
City Deal Fund	0	0	0	0	(1,985)	0	(1,985)
Other	(2,142)	(826)	748	(2,220)	(721)	764	(2,177)
<b>Total</b>	<b>(23,973)</b>	<b>(8,587)</b>	<b>6,693</b>	<b>(25,867)</b>	<b>(12,049)</b>	<b>20,129</b>	<b>(17,787)</b>
<b>Housing Revenue Account:</b>							
Asset Repair and Renewal Reserve	(2,392)	(545)	1,108	(1,829)	(285)	83	(2,031)
Shared Ownership Reserve	(300)	0	0	(300)	0	300	0
Other	(1,628)	(845)	432	(2,041)	(14)	120	(1,935)
<b>Total</b>	<b>(4,320)</b>	<b>(1,390)</b>	<b>1,540</b>	<b>(4,170)</b>	<b>(299)</b>	<b>503</b>	<b>(3,966)</b>

## Notes to the Main Financial Statements

### 6 Comprehensive Income and Expenditure Statement – Other Operating Expenditure

(£000s)	2015/16		2014/15	
	Income	Expenditure	Income	Expenditure
Payments to the Government Housing Capital Receipts Pool	0	857	0	1,279
Impairment losses on assets held for sale	0	(1,084)	0	(146)
(Gains) / losses on the disposal of non-current assets	(3,034)	0	(4,963)	0
Other income	(79)	0	(180)	0
	<b>(3,113)</b>	<b>(227)</b>	<b>(5,143)</b>	<b>1,133</b>

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

(£000s)	2015/16		2014/15	
	Income	Expenditure	Income	Expenditure
Interest payable and similar charges	0	7,534	0	7,496
Impairment of investments	0	(107)	0	(59)
Net interest on the net defined benefit liability	0	3,997	0	4,111
Trading Activities	(1,100)	1,035	(125)	69
Interest receivable and similar income	(1,376)	0	(789)	0
Income and expenditure in relation to investment properties and changes in their fair value	(21,685)	1,602	(11,351)	1,229
	<b>(24,161)</b>	<b>14,061</b>	<b>(12,265)</b>	<b>12,846</b>

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

(£000s)	2015/16	2014/15
Council tax income	(7,017)	(6,601)
Net council share of business rates income	(3,804)	(3,330)
Non-ringfenced government grants	(9,460)	(8,783)
Capital grants and contributions	(4,925)	(4,216)
	<b>(25,206)</b>	<b>(22,930)</b>

The business rates income retained by the Council under the business rates retention scheme of £4,768,000 (2014/15 - £3,330,000) comprises the Council's share of income of £37,348,000 (2014/15 - £36,245,000) less a tariff payment due to central government of £33,544,000 (2014/15 - £32,915,000).

## Notes to the Main Financial Statements

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### 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)	2015/16	2014/15
<b>Net Expenditure for the year as reported to management</b>		
<b>General Fund</b>		
<i><b>Community Services</b></i>		
City Centre and Public Places	2,420	2,753
Community Arts and Recreation	7,440	7,955
	<b>9,860</b>	<b>10,708</b>
<i><b>Environment</b></i>		
Environment, Waste and Public Health	7,728	7,776
Planning Policy and Transport	(974)	(266)
	<b>6,754</b>	<b>7,510</b>
<i><b>Housing</b></i>		
Housing General Fund	<b>3,311</b>	<b>3,186</b>
<i><b>Strategy &amp; Resources</b></i>		
Finance and Resources	(6,780)	(5,999)
Strategy and Transformation	3,189	2,658
	<b>(3,591)</b>	<b>(3,341)</b>
<b>Total General Fund</b>	<b>16,334</b>	<b>18,063</b>
<b>Housing Revenue Account</b>		
Housing – HRA	(18,096)	(13,870)
	<b>(1,762)</b>	<b>4,193</b>
Amounts in the Comprehensive Income and Expenditure Statement not reported to management	(5,698)	(8,997)
Amounts reported to management not included in the Comprehensive Income and Expenditure Statement	7,460	4,175
<b>Cost of Services in the Comprehensive Income and Expenditure Statement</b>	<b>0</b>	<b>(629)</b>

## 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 2015/16

(£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	(77,110)	0	3	(789)	12,070	(65,826)
Interest and investment income	(890)	(466)	0	(13,439)	(8,267)	(23,062)
Income from council tax	0	(7,000)	0	(17)	0	(7,017)
Income from non-domestic rates	0	(1,132)	0	(2,672)	0	(3,804)
Gain on disposal of assets and other capital receipts	0	0	0	(3,112)	0	(3,112)
Government grants, donations and contributions	(40,683)	(9,038)	0	(5,283)	0	(55,004)
<b>Total Income</b>	<b>(118,683)</b>	<b>(17,636)</b>	<b>3</b>	<b>(25,312)</b>	<b>3,803</b>	<b>(157,825)</b>
Employee expenses	23,912	0	0	747	12,858	37,517
Other service expenses	65,775	0	(633)	6,773	(3,465)	68,450
Recharges	14,208	0	0	0	(14,208)	0
Depreciation, amortisation and impairment	13,024	186	(19)	(13,378)	1,119	932
Interest payments	2	7,542	(11)	3,997	(107)	11,423
Payments to Housing Receipts Pool	0	0	0	857	0	857
<b>Total Expenditure</b>	<b>116,921</b>	<b>7,728</b>	<b>(663)</b>	<b>(1,004)</b>	<b>(3,803)</b>	<b>119,179</b>
<b>(Surplus) / Deficit on the provision of services</b>	<b>(1,762)</b>	<b>(9,908)</b>	<b>(660)</b>	<b>(26,316)</b>	<b>0</b>	<b>(38,646)</b>

## Notes to the Main Financial Statements

### Financial year 2014/15

(£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	(77,864)	0	33	(102)	12,276	(65,657)
Interest and investment income	(484)	(278)	0	(3,499)	(7,879)	(12,140)
Income from council tax	0	(6,706)	0	105	0	(6,601)
Income from non-domestic rates	0	(3,853)	0	523	0	(3,330)
Gain on disposal of assets and other capital receipts	0	0	0	(5,143)	0	(5,143)
Government grants, donations and contributions	(40,406)	(8,503)	0	(4,616)	0	(53,525)
<b>Total Income</b>	<b>(118,754)</b>	<b>(19,340)</b>	<b>33</b>	<b>(12,732)</b>	<b>4,397</b>	<b>(146,396)</b>
Employee expenses	23,471	0	0	1,007	13,159	37,637
Other service expenses	67,931	0	(3,328)	4,922	(3,005)	66,520
Recharges	15,552	0	0	0	(15,552)	0
Depreciation, amortisation and impairment	15,991	95	0	(14,722)	1,060	2,424
Interest payments	2	7,502	(8)	4,111	(59)	11,548
Payments to Housing Receipts Pool	0	0	0	1,279	0	1,279
<b>Total Expenditure</b>	<b>122,947</b>	<b>7,597</b>	<b>(3,336)</b>	<b>(3,403)</b>	<b>(4,397)</b>	<b>119,408</b>
<b>(Surplus) / Deficit on the provision of services</b>	<b>4,193</b>	<b>(11,743)</b>	<b>(3,303)</b>	<b>(16,135)</b>	<b>0</b>	<b>(26,988)</b>

### 10 Agency Services

#### Box Office Services

The Council operated a box office for private promoters for performances and events held at the Corn Exchange. Gross income collected and paid over to promoters was £3,141,000 in 2014/15, but £0 in 2015/16 following the transfer of services to Cambridge Live with effect from 1 April 2015.



## Notes to the Main Financial Statements

### 11 Members' Allowances

The total allowances paid to members during the financial year 2015/16 were £247,154 (£244,295 in 2014/15) as analysed below. Details of payments to individual members are published annually in a local newspaper.

(£)	2015/16	2014/15
Basic allowance payments	116,842	116,146
Special responsibility payments	127,110	125,057
Childcare allowance	295	534
Travel and subsistence payments:		
Subsistence	111	323
Travel claims	270	629
Travel warrants	1,479	555
Taxi fares	201	169
Mileage claims	846	882
	<b>247,154</b>	<b>244,295</b>

Additional civic responsibility payments were made to the Mayor and Deputy Mayor outside of the Members Allowances Scheme. These totalled £5,810 (£5,810 in 2014/15).

### 12 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 31.

#### Voluntary Organisations

Members of the Council have direct control over the Council's financial and operating policies. During 2015/16 the Council gave grant funding and paid for projects and services totalling £165,923 (£159,762 in 2014/15) to voluntary organisations in which 5 (6 in 2014/15) members or their close family were in positions of influence. £2,950 (£0 in 2014/15) of these amounts were unpaid at the year end.

The relevant members did not take part in any discussion or decision relating to these organisations.

## Notes to the Main Financial Statements

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### **Cambridge Live**

The Council transferred the running of the Cambridge Folk Festival, Corn Exchange and other aspects of the arts and recreation service to a new arts trust charity, Cambridge Live, a company limited by guarantee, on 1 April 2015. Two members of the Council are appointed as trustees, and the Articles of Association require a minimum of 11 trustees. The Council is therefore not considered to have significant influence over the trust. At 1 April 2015 the Council granted a lease of relevant premises (The Corn Exchange, Parson's Court Offices and Wheeler Street Box Office) at a peppercorn rent for 25 years.

As disclosed in note 23, the Council has made a loan to the company for start-up costs. This totals £124,760 at 31 March 2016 (£108,684 at 31 March 2015) and is due to be repaid from 2017/18. No interest is due on the repayment. The Council paid £506,170 to the company under a contract for services in 2015/16, together with a s106 grant for artwork of £8,000 and a further payment towards works on the Corn Exchange of £34,575.

The Council paid over ticket balances, and other income remitted to it and due to the company in 2015/16. The Council has also recharged the company for its share of costs including utilities. At the year-end short term creditors with Cambridge Live and its trading subsidiary were £50,711 (£2,295,821 at 31 March 2015). At the year-end short term debtors were £25,001.

### **Visit Cambridge and Beyond**

The Council transferred the provision of tourism services to Visit Cambridge and Beyond (VCB), a company limited by guarantee, on 1 February 2016. There are 12 directors, of which one is appointed by the City Council. The Council is therefore not considered to have significant influence over the company. As disclosed in note 23 start-up costs of £90,306 were paid by the Council on behalf of the company and are due for repayment by the company starting in 2019. No interest is due on the repayment.

The Council has paid over income due to VCB and recharged it for its share of costs, including utilities and rent for offices at the Guildhall which is determined on a commercial basis. At 31 March 2016 short term debtors were £9,847 and short term creditors were £42,211.

The Council paid the grant subsidy of £51,780 due to VCB in respect of 2016/17 in advance and this is included within payments in advance at the year end.

### **Shared service with other local authorities**

The Council shares a number of services with Huntingdonshire District Council and South Cambridgeshire District Council. These include ICT, Building Control, and Legal, which commenced on 1 October 2015 under the banner of 3Cs Shared Services. There is a lead authority for each service and the Council accounts for shared service transactions in its accounts in accordance with *The Code of Practice on Local Authority Accounting*.

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

## **13 Employee Remuneration**

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

## Notes to the Main Financial Statements

	2015/16	2014/15
£50,000 to £54,999	2	2
£55,000 to £59,999	1	4
£60,000 to £64,999	2	2
£65,000 to £69,999	6	6
£70,000 to £74,999	5	3
£80,000 to £84,999	0	1
£85,000 to £89,999	0	2
£90,000 to £94,999	3	1
£115,000 to £119,999	0	1
£120,000 to £124,999	1	0
<b>Total</b>	<b>20</b>	<b>22</b>

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 2015/16

(£) Position / Name	Note	Salary	Honorarium	Pension Contribution	Total
Chief Executive (A Jackson)	1	122,503	0	21,315	143,818
Director of Environment (S Payne)		93,729	0	16,309	110,038
Director of Customer & Community Services (L Bisset)		93,729	0	16,309	110,038
Director of Business Transformation (R Ward)		90,419	0	15,733	106,152
Head of Corporate Strategy (A Limb)		69,452	0	12,085	81,537
Head of Finance (Section 151 Officer) (C Ryba)		69,452	0	12,085	81,537

Notes:

- The Chief Executive received Election Payments of £6,957 in addition to the above.

## Notes to the Main Financial Statements

### Financial year 2014/15

(£) Position / Name	Note	Salary	Honorarium	Pension Contribution	Total
Chief Executive (A Jackson)	1	117,859	0	20,961	138,820
Director of Environment (S Payne)		89,089	0	15,502	104,591
Director of Customer & Community Services (L Bisset)		92,350	2,000	16,417	110,767
Director of Business Transformation (R Ward)		89,089	0	15,502	104,591
Head of Corporate Strategy (A Limb)	2	68,431	0	11,907	80,338
Head of Finance (Section 151 Officer) (C Ryba)	3	49,029	0	8,531	57,560

#### Notes:

- 1 The Chief Executive received Election Payments of £2,609 in addition to the above.
- 2 The Head of Corporate Strategy received Election Payments of £500 in addition to the above.
- 3 The Head of Finance joined the Council on 14 July 2014.

Between April 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 £5,307 for this service.

The Council is required to recognise the costs of redundancy in the accounts in line with accounting standards. This means that the cost recognised in the accounts includes estimates for staff where the Council made the redundancy decision in 2015/16, but the staff will not leave and receive any exit payment until 2016/17. The number of exit packages recognised in the accounts, 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)	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
£0 - £20,000	8	8	0	0	8	8	97	82
£20,001 - £40,000	4	3	0	0	4	3	99	88
£40,001 - £60,000	1	0	0	0	1	0	42	0
£60,001 - £80,000	2	0	0	0	2	0	146	0
£80,001 - £100,000	2	0	0	0	2	0	165	0
£100,001 - £150,000	1	0	0	0	1	0	119	0
<b>Total</b>	<b>18</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>11</b>	<b>668</b>	<b>170</b>

## Notes to the Main Financial Statements

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.

In 2015/16 the Council has undertaken significant restructuring of services including reducing the number of senior managers to deliver long term savings to the Council.

The 3Cs shared service arrangement with Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) commenced on 1 October 2015. As part of the set-up costs of the shared services, the councils agreed to share exit costs in some circumstances.

SCDC and HDC have agreed to contribute £47,000 towards the exit costs above incurred in respect of staff now employed by the City Council, which is included in other local authority debtors at 31 March 2016.

In addition to the costs above the City Council has agreed to contribute £148,000 in respect of exit costs incurred by HDC. This is included in amounts owed to other local authorities at 31 March 2016.

### 14 Audit Costs

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

(£000s)	2015/16	2014/15 (restated)
<b>Fees payable to the appointed external auditor in respect of:</b>		
External audit services	52	68
Certification of grant claims and returns	15	24
	<b>67</b>	<b>92</b>

## Notes to the Main Financial Statements

### 15 Property, Plant and Equipment

#### Financial year 2015/16

(£000s)	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant & Equipment
<b>Cost or Valuation</b>								
<b>At 1 April 2015</b>	<b>538,100</b>	<b>128,892</b>	<b>18,185</b>	<b>3,579</b>	<b>1,151</b>	<b>197</b>	<b>13,290</b>	<b>703,394</b>
Additions	10,124	230	1,512	533	22	0	30,003	42,424
Revaluation increases/(decreases) recognised in the revaluation reserve	21,822	9,901	0	0	0	608	0	32,331
Revaluation increases/(decreases) recognised in the surplus / deficit on provision of services	9,329	1,539	0	0	0	0	1,351	12,219
Derecognition – disposals	(3,271)	0	(279)	0	0	0	0	(3,550)
Derecognition – other	(445)	(70)	0	0	0	(69)	(6)	(590)
Assets reclassified from Investment Properties	(120)	(2,130)	0	0	0	3,000	0	750
Assets reclassified (to) / from held for sale	(381)	0	(236)	0	0	0	(275)	(892)
Assets reclassified (to) / from other categories of property, plant and equipment	11,783	87	544	150	0	(54)	(12,510)	0
<b>At 31 March 2016</b>	<b>586,941</b>	<b>138,449</b>	<b>19,726</b>	<b>4,262</b>	<b>1,173</b>	<b>3,682</b>	<b>31,853</b>	<b>786,086</b>
<b>Accumulated Depreciation and Impairment</b>								
<b>At 1 April 2015</b>	<b>0</b>	<b>(6,037)</b>	<b>(9,665)</b>	<b>(454)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(16,156)</b>
Depreciation charge	(8,517)	(3,816)	(1,683)	(105)	0	(2)	0	(14,123)
Depreciation written out to the Revaluation Reserve	8,460	8,168	0	0	0	0	0	16,628
Derecognition – disposals	51	0	94	0	0	0	0	145
Derecognition – other	0	6	0	0	0	2	0	8
Impairments	0	0	(4)	0	0	0	0	(4)
Assets reclassified to / from Held for Sale	6	0	214	0	0	0	0	220
Assets reclassified to / from other categories of property, plant and equipment	0	0	0	0	0	0	0	0
Other movements	0	0	0	1	0	0	0	1
<b>At 31 March 2016</b>	<b>0</b>	<b>(1,679)</b>	<b>(11,044)</b>	<b>(558)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(13,281)</b>
<b>Net Book Value</b>								
<b>At 31 March 2016</b>	<b>586,941</b>	<b>136,770</b>	<b>8,682</b>	<b>3,704</b>	<b>1,173</b>	<b>3,682</b>	<b>31,853</b>	<b>772,805</b>
<b>At 31 March 2015</b>	<b>538,100</b>	<b>122,855</b>	<b>8,520</b>	<b>3,125</b>	<b>1,151</b>	<b>197</b>	<b>13,290</b>	<b>687,238</b>

## Notes to the Main Financial Statements

### Financial year 2014/15

(£000s)	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant & Equipment
<b>Cost or Valuation</b>								
<b>At 1 April 2014</b>	<b>497,772</b>	<b>127,172</b>	<b>17,259</b>	<b>2,589</b>	<b>1,122</b>	<b>5,230</b>	<b>6,365</b>	<b>657,509</b>
Additions	13,248	1,403	1,733	945	15	0	9,927	27,271
Revaluation increases/(decreases) recognised in the revaluation reserve	14,280	5,069	0	0	0	4	(32)	19,321
Revaluation increases/(decreases) recognised in the surplus / deficit on provision of services	15,025	(2,146)	0	0	0	2	0	12,881
Derecognition – disposals	(3,778)	0	(412)	0	0	0	(34)	(4,224)
Derecognition – other	(344)	(949)	0	0	0	(2,662)	(11)	(3,966)
Assets reclassified (to) / from intangible assets	0	0	0	0	0	0	(26)	(26)
Assets reclassified from Investment Properties	0	400	0	0	0	0	0	400
Assets reclassified (to) / from held for sale	0	(3,294)	(489)	0	0	(1,977)	0	(5,760)
Assets reclassified (to) / from other categories of property, plant and equipment	1,897	1,237	94	45	14	(400)	(2,899)	(12)
<b>At 31 March 2015</b>	<b>538,100</b>	<b>128,892</b>	<b>18,185</b>	<b>3,579</b>	<b>1,151</b>	<b>197</b>	<b>13,290</b>	<b>703,394</b>
<b>Accumulated Depreciation and Impairment</b>								
<b>At 1 April 2014</b>	<b>0</b>	<b>(4,334)</b>	<b>(8,902)</b>	<b>(378)</b>	<b>0</b>	<b>(122)</b>	<b>0</b>	<b>(13,736)</b>
Depreciation charge	(10,035)	(3,451)	(1,645)	(76)	0	(113)	0	(15,320)
Depreciation written out to the Revaluation Reserve	9,954	1,704	0	0	0	2	0	11,660
Derecognition – disposals	77	0	409	0	0	0	0	486
Derecognition – other	0	41	0	0	0	144	0	185
Assets reclassified to / from Held for Sale	0	1	470	0	0	83	0	554
Assets reclassified to / from other categories of property, plant and equipment	4	2	0	0	0	6	0	12
Other movements	0	0	3	0	0	0	0	3
<b>At 31 March 2015</b>	<b>0</b>	<b>(6,037)</b>	<b>(9,665)</b>	<b>(454)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(16,156)</b>
<b>Net Book Value</b>								
<b>At 31 March 2015</b>	<b>538,100</b>	<b>122,855</b>	<b>8,520</b>	<b>3,125</b>	<b>1,151</b>	<b>197</b>	<b>13,290</b>	<b>687,238</b>
<b>At 31 March 2014</b>	<b>497,772</b>	<b>122,838</b>	<b>8,357</b>	<b>2,211</b>	<b>1,122</b>	<b>5,108</b>	<b>6,365</b>	<b>643,773</b>

## Notes to the Main Financial Statements

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### 16 Property - Revaluations

The Council carries out a rolling programme that ensures that Property, Plant and Equipment to be revalued are done so at least every five years.

Current year revaluations were carried out by Independent External Valuers (all RICS registered) in accordance with the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) issued by the Royal Institution of Chartered Surveyors and the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16:

Guy Harbord MA MRICS IRRV(Hons) (Wilks Head and Eve)  
Amanda Briggs BA (Hons) MRICS (Bidwells LLP)  
Anna Groom MA MRICS (Bidwells LLP)  
Clare Sale MRICS (Bidwells LLP)  
Duncan Wisbey MRICS (Bidwells LLP)

The valuation of operational property was on the basis of existing use value except for specialised operational assets which were assessed on the basis of depreciated replacement cost. Further detail on the basis for valuation is set out in the statement of accounting policies on page 98.

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 in that they have not been instructed to inspect the properties or read all the leases. For all the properties they undertook external inspections only and have relied on information provided by Cambridge City Council and the accuracy of the valuation depends on the accuracy of the information provided.

In accordance with the Valuation Standards, Bidwells confirms that it last valued the properties in 2015 and has acted as valuer for Cambridge City Council since March 1994. They also confirm that in their last financial year the fees received from Cambridge City Council represented less than 5% of their turnover and they do not expect any material increase in these fees in 2016. Bidwells has a policy of rotating personnel undertaking this valuation so that no single valuer values the portfolio for more than seven consecutive years. This rotation is undertaken in accordance with Bidwells Management System under ISO 9001:2000

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

Surplus properties are valued at fair value (at level 3 of the fair value hierarchy) as at 31 March 2016. This value represents the development potential based on a value per net developable acre taking into account planning risk. If the value per acre falls or the planning risk increases the fair value will fall. The impact of this valuation is an unrealised gain of £680,000 to the revaluation reserve as recognised in the surplus on revaluation of property, plant and equipment in other comprehensive income and expenditure.



## Notes to the Main Financial Statements

The following table shows the current carrying value of Property, Plant and Equipment 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 2016	586,941	124,503	3,682	715,126
31 March 2015	0	4,409	0	4,409
31 March 2014	0	2,986	0	2,986
31 March 2013	0	690	0	690
31 March 2012	0	4,601	0	4,601
<b>Total Valuation</b>	<b>586,941</b>	<b>137,189</b>	<b>3,682</b>	<b>727,812</b>

Details on investment property valuation can be found in Note 21.

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

### 17 Property, Plant and Equipment - Depreciation

The majority of the Council's Property, Plant and Equipment are council dwellings. Flats are assessed as having a remaining life of 45 years and houses 46 years. The Council changed the estimation basis for the remaining lives of dwellings in 2015/16 as detailed in note 42.

The useful lives of other assets are generally estimated as:

- Infrastructure Assets – 10 to 40 years
- Other buildings (main structure) – 5 to 90 years. Material components may be depreciated over a lesser term.
- Vehicles, Plant and Equipment – 3 to 25 years

## Notes to the Main Financial Statements

### 18 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)	2015/16	2014/15
<b>Opening Capital Financing Requirement</b>	<b>216,012</b>	<b>215,906</b>
<b>Capital Expenditure</b>		
Property, Plant and Equipment	42,424	27,271
Investment Properties	9,839	164
Intangible Assets	18	53
Non-current assets held for sale	163	114
<b>Capital Expenditure Charged to the Comprehensive Statement of Income and Expenditure</b>		
Revenue Expenditure Funded from Capital	4,304	1,428
De-minimis capital expenditure	960	695
<b>Loans Advanced</b>		
Private Sector Housing Improvement Loans	23	35
<b>Purchase of Shares</b>		
Local Government Finance Company	0	50
<b>Revaluation losses on non-dwelling HRA assets charged to the Comprehensive Statement of Income and Expenditure</b>	(186)	(96)
<b>Sources of finance</b>		
Capital receipts	(11,010)	(7,178)
Government grants and other contributions	(8,520)	(4,237)
Revenue and reserves	(33,591)	(18,193)
<b>Other movements</b>	(3)	0
<b>Closing capital financing requirement</b>	<b>220,433</b>	<b>216,012</b>

## Notes to the Main Financial Statements

### 19 Capital Commitments

At 31 March 2016, the Council was contractually committed to capital work valued at approximately £28.9 million, as shown in the following table.

(£000s)	31 March 2016	31 March 2015
<b>Property, Plant and Equipment</b>		
Clay Farm Community Centre	6,717	217
Vehicle asset replacements	185	178
HRA New Build Properties	14,745	9,743
Housing Capital Programme	2,128	1,926
General Fund Property Acquisition for Housing Company	1,745	0
Bus shelters	75	0
Replacement telecommunications and LAN	188	0
<b>Assets held for sale/Property Plant and Equipment</b>		
Land at Clay Farm	731	1,692
<b>Assets Held For Sale</b>		
Development land on Kings Hedges Road	0	67
<b>Investment Properties</b>		
Lion Yard contribution to works	0	78
Clay Farm commercial property construction costs	253	0
Commercial properties asset replacement	131	0
<b>Revenue Expenditure Funded from Capital Under Statute</b>		
Private Sector Housing Improvements	0	284
Community Development Grants Programme	115	121
Green Deal Grants	1,892	2,274
	<b>28,905</b>	<b>16,580</b>

## Notes to the Main Financial Statements

### 20 Investment Properties

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

(£000s)	2015/16	2014/15
Rental income from investment property	(8,266)	(7,879)
Direct operating expenses arising from investment property	395	365
<b>Net gain</b>	<b>(7,871)</b>	<b>(7,514)</b>

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)	2015/16	2014/15
<b>Balance at start of the year</b>	<b>121,765</b>	<b>118,529</b>
<i>Additions:</i>		
Subsequent expenditure	213	164
Acquisitions	9,626	0
Unrealised gains/(losses) recognised in Financing and Investment Income line in Surplus/Deficit on the provision of services from fair value adjustments	13,420	3,472
<i>Transfers:</i>		
(To) / from Property, Plant and Equipment	(750)	(400)
<b>Balance at the end of the year</b>	<b>144,274</b>	<b>121,765</b>
Acquisitions included above measured at historic cost	(179)	0
<b>Fair value at year end</b>	<b>144,095</b>	<b>121,765</b>

## Notes to the Main Financial Statements

### 21 Fair Value Measurement of Investment Properties

Investment properties are held at fair value, with the exception of investment properties under construction where it is too soon to measure fair value reliably. These assets are held at historic cost.

Investment properties are classified as Level 3 within the value hierarchy as defined within IFRS13. Level 3 inputs used in valuing the properties are those which are unobservable and observable inputs where significant adjustments have been applied to determine specific property valuations, as opposed to level 1 (inputs from quoted prices) and level 2 (observable inputs either directly, i.e. as prices, or indirectly, i.e. derived from prices).

The portfolio is valued in line with the accounting policy detailed on page 94.

The valuation is undertaken by Bidwells LLP, on a fair value basis in line with IFRS 13 and in accordance with the methodologies and bases for estimation set out in the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards. Further details of Bidwells approach to the valuations can be found in Note 16.

The Council provides data to the valuers, including current lease and tenant data. The valuers use this and other inputs, including market transactions for similar properties, to produce valuations. These valuations and the assumptions they have made have been discussed with senior Council finance and property officers.

The following table shows an analysis of the fair values of investment property recognised in the balance sheet.

Property Class	Fair Value at 31 March 2016	Predominant Valuation technique	Key unobservable inputs	Range
Retail	36,505	Investment	Market Rent (psf) Market Rent (psf ZA) EY yield	£8.60 - £41.00 £12.75 - £195 4.75% - 16.5%
Central Cambridge Shopping Centres	39,000	Investment	NIY Yield	4.0%
Offices	4,641	Investment	Market Rent (psf) EY yield	£8.60 - £23.50 7.4% - 11.0%
Industrial	7,460	Investment	Market Rent (psf) EY yield	£6.00 - £15.50 7.4% - 11.0%
Land	29,203	Investment / Comparable	Market Rent (per acre) NIY yield £/acre	£10,000 - £52,270 3.0% - 7.0% £130,000 - £1,000,000
Leisure	2,657	Investment	EY yield	7.49% - 15.0%
Other	24,629	Investment	Yield	2.4% - 15.0%
<b>Total</b>	<b>144,095</b>			

## Notes to the Main Financial Statements

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The predominant valuation techniques are:

### *Investment Method*

This involves estimating the rental value of each lettable part of the property, making an assessment of void periods and associated costs and then capitalising at an appropriate yield. Hope value is included where there is future reversionary potential such as conversion to residential use.

### *Comparable Method*

The opinion of value was primarily derived using comparable recent market transactions on an arm's length basis with appropriate adjustments.

### **Sensitivity Analysis**

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy on investment property are:

- Market Rent – this is estimated for each lettable unit by comparison with recent lettings from within the property itself or nearby making appropriate adjustments for size, specification, location and incentives.
- Voids – an estimate of the likely period required to relet vacant property and the likelihood of lease renewal.
- Yield – opinion on the appropriate capitalisation rate to be applied by reference to transactions for comparable properties.

Significant increases/(decreases) in the rental value would result in a higher/(lower) fair value measurement.

Significant increases/(decreases) in the long term vacancy rate or yield would result in a lower/(higher) fair value measurement.

The current use of investment properties is highest and best use, with the exception of property in the Cambridge Northern Fringe East development area which is let out on a short term basis (with the Council able to exercise break clauses) pending redevelopment.

## **22 Leases**

### Council as Lessee

#### *Finance Leases*

The carrying value of investment properties held under finance leases was £1,660,000 at 31 March 2016 (£1,660,000 at 31 March 2015). Secondary lease payments of £2,247 in each of 2014/15 and 2015/16 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 £135,709 at 31 March 2016 (£53,866 at 31 March 2015).

## Notes to the Main Financial Statements

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 £35,260,000 at 31 March 2016 (£25,027,500 at 31 March 2015).

### *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 2016	31 March 2015
Not later than one year	179	80
Later than one year and not later than five years	441	250
Later than five years	0	0
	<b>620</b>	<b>330</b>

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

(£000s)	2015/16	2014/15
<b>Minimum lease payments</b>	<b>221</b>	<b>371</b>

### 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.

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

(£000s)	31 March 2016	31 March 2015
Not later than one year	4,458	3,761
Later than one year and not later than five years	13,187	10,615
Later than five years	102,290	95,610
	<b>119,935</b>	<b>109,986</b>

The minimum lease payments receivable do not include contingent rents such as those based on turnover. In 2015/16 £2,241,047 of contingent rents were receivable by the Council (2014/15 £2,160,045).

## Notes to the Main Financial Statements

### 23 Short-Term and Long-Term Investments

(£000s)	2015/16		2014/15	
	Long Term	Short Term	Long Term	Short Term
Investments in Icelandic banks and their UK subsidiaries	0	41	0	101
Other investments	32,050	56,760	15,484	86,217
	<b>32,050</b>	<b>56,801</b>	<b>15,484</b>	<b>86,318</b>

#### Investments in Icelandic Banks and their UK Subsidiaries

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

The Council had £5 million deposited with Landsbanki Islands hf (subsequently renamed LBI hf), and £4 million with its UK subsidiary, Heritable Bank Plc.

All monies within these institutions are subject to their respective administration and receivership processes.

The overall position in respect of both institutions is summarised as follows:

(£000s)	2015/16		2014/15	
	Heritable Bank Plc	LBI hf	Heritable Bank Plc	LBI hf
Balance sheet carrying value				
Short term investments	41	0	101	0
Increase / (decrease) in impairment recognised in the Comprehensive Income and Expenditure account	(102)	0	0	(63)
Cash received	162	0	0	2,040

#### *LBI hf*

The Council sold its remaining claims against the insolvent estate of LBI in autumn 2014.

#### *Heritable Bank Plc*

The Council has received 98% of its claim to date. The administrators have not given any firm indications as to the likely timing and scale of further dividends, but given the information available to it, the Council has assumed an overall recovery of 99%.



## Notes to the Main Financial Statements

### 24 Long-Term Debtors

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

(£000s)	31 March 2016	31 March 2015
Mortgages	1	1
Grand Arcade reverse lease premium	200	205
Private sector housing improvement loans	815	793
Sale of land at Kings Hedges	30	30
Long term loan – Kelsey Kerridge Sports Centre	0	1
Cambridge Live	125	109
Visit Cambridge and Beyond	90	0
Employee Loans	2	0
Mortgage Repossessions Loans	7	7
	<b>1,270</b>	<b>1,146</b>

### 25 Assets Held for Sale

(£000s)	Current	
	2015/16	2014/15
<b>Balance at 1 April</b>	<b>9,707</b>	<b>4,492</b>
Assets newly classified as held for sale:		
Property, plant & equipment	672	5,207
Transfers between current and long term assets held for sale	0	0
Assets sold	(7,331)	(3,469)
Clay Farm change in estimate of value – Revaluation Reserve	0	3,217
Clay Farm change in estimate of value – Reverse previous impairment loss	0	152
K1 Site – change in estimate of value – reverse previous loss in I&E	1,096	0
Enhancement expenditure	163	114
Impairment losses	(12)	(5)
<b>Balance at 31 March</b>	<b>4,295</b>	<b>9,707</b>

The 2014/15 and 2015/16 impairment losses relates to vehicles.

## Notes to the Main Financial Statements

### 26 Debtors

(£000s)	31 March 2016	31 March 2015
Central government bodies	2,508	1,371
Other local authorities	2,065	963
NHS bodies	10	32
Council tax payers (City share)	383	500
National non domestic rate payers (City share)	152	270
Council tax payers (precepting bodies share)	1,285	1,658
Housing tenants and leaseholders	349	477
Trade and other	6,518	6,519
	<b>13,270</b>	<b>11,790</b>

### 27 Cash and Cash Equivalents

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

(£000s)	31 March 2016	31 March 2015
Cash held by the Council	0	4
Bank current accounts	1,626	864
Bank deposit accounts	7,560	6,400
	<b>9,186</b>	<b>7,268</b>

### 28 Short-Term Creditors

(£000s)	31 March 2016	31 March 2015
Central government bodies	(4,934)	(2,984)
Other local authorities	(3,119)	(2,174)
Other entities and individuals	(9,841)	(12,202)
	<b>(17,894)</b>	<b>(17,360)</b>

## Notes to the Main Financial Statements

### 29 Receipts in Advance

(£000s)	31 March 2016	31 March 2015
Cambridge City Council share of council tax receipts in advance	(296)	(385)
Cambridge City Council share of non-domestic rates receipts in advance	(689)	(644)
Capital grants receipts in advance	(47)	(75)
Housing tenants and leaseholders	(845)	(1,128)
Other	(1,836)	(2,055)
	<b>(3,713)</b>	<b>(4,287)</b>

### 30 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 2016 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.

## Notes to the Main Financial Statements

(£000s)	Insurance Provision	Business Rates Appeals Provision	Other Provisions	Total
<b>Balance at 1 April 2015</b>	<b>(692)</b>	<b>(3,544)</b>	<b>(9)</b>	<b>(4,245)</b>
Additional provisions made in 2015/16	(221)	(1,095)	(251)	(1,567)
Amounts used in 2015/16	163	834	0	997
Unused amounts reversed in 2015/16	104	0	0	104
<b>Balance as at 31 March 2016</b>	<b>(646)</b>	<b>(3,805)</b>	<b>(260)</b>	<b>(4,711)</b>

### 31 Grant Income

The Council credited the following significant grants and contributions to the Comprehensive Income and Expenditure Statement in 2015/16:

(£000s)	2015/16	2014/15
<b>Credited to Taxation and Non Specific Grant Income</b>		
Revenue Support Grant	(3,012)	(4,311)
New Homes Bonus	(4,976)	(3,389)
New Burdens and Transitional Grants	(86)	(112)
Individual Electoral Registration Grants	(103)	(128)
Homelessness Grants	(196)	(103)
Site Delivery Planning Grant	0	(50)
Small Business Rate Relief Grant	(311)	(283)
Other Business Rate Relief Grants	(653)	(407)
Welfare Reform Grants	(122)	0
Other Capital grants and contributions	(4,925)	(4,216)
	<b>(14,384)</b>	<b>(12,999)</b>
<b>Credited to Services</b>		
Discretionary Housing Payments	(149)	(183)
Rent Allowance and Rent Rebates Admin Subsidy	(480)	(526)
Rent Allowance Subsidy	(19,196)	(18,775)
Rent Rebates Subsidy	(19,017)	(19,062)
Non HRA Rent Rebates Subsidy	(477)	(295)
Other Housing Benefit Grants	(75)	(156)
Other capital grants and contributions	(358)	(400)
	<b>(39,752)</b>	<b>(39,397)</b>

## Notes to the Main Financial Statements

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 2016	31 March 2015
<b>Capital Grants Receipts in Advance</b>		
Due within 12 months	(47)	(75)
Due in more than 12 months	(7,778)	(8,087)
<b>Total</b>	<b>(7,825)</b>	<b>(8,162)</b>

### 32 Usable Reserves

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

### 33 Unusable Reserves

(£000s)	31 March 2016	31 March 2015
Deferred Capital Receipts Reserve	(3,979)	(3,226)
Revaluation Reserve	(147,009)	(104,993)
Capital Adjustment Account	(555,750)	(499,567)
Financial Instruments Adjustment Account	80	90
Pensions Reserve	107,797	124,811
Collection Fund Adjustment Account	1,847	4,536
Available for Sale Reserve	(2)	566
Accumulated Absences Account	455	483
<b>Total Unusable Reserves</b>	<b>(596,561)</b>	<b>(477,300)</b>

### 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)	2015/16	2014/15
<b>Balance at 1 April</b>	<b>(3,226)</b>	<b>(45)</b>
Deferred sale proceeds on disposal of non-current assets	(3,403)	(3,193)
Transfer to the Capital Receipts Reserve upon receipt of cash	2,650	12
<b>Balance at 31 March</b>	<b>(3,979)</b>	<b>(3,226)</b>

## Notes to the Main Financial Statements

### 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.

(£000s)	2015/16	2014/15
<b>Balance at 1 April</b>	<b>(104,993)</b>	<b>(72,434)</b>
Net (gains) / losses on revaluations during the year	(49,069)	(34,239)
<b>Amounts written off to the Capital Adjustment Account</b>		
Difference between fair value depreciation and historical cost depreciation	1,821	1,474
Accumulated gains on assets sold or scrapped	5,232	206
<b>Balance at 31 March</b>	<b>(147,009)</b>	<b>(104,993)</b>

### 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)	2015/16	2014/15
<b>Balance at 1 April</b>	<b>(499,567)</b>	<b>(480,287)</b>
Charges for depreciation and impairment of non-current assets	14,124	15,319
Revaluation (gains)/losses on property, plant and equipment	(12,406)	(12,977)
Impairment losses on assets held for sale	(1,084)	(146)
Impairments on property, plant and equipment	4	0
Amortisation of intangible assets	108	130
Revenue expenditure funded from capital under statute and de minimis capital spend	5,264	2,123
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	6,159	10,780
Depreciation in excess of historic cost transfer from revaluation reserve	(1,821)	(1,474)
Use of the Capital Receipts Reserve to finance new capital expenditure	(11,010)	(7,178)
Use of the Major Repairs Reserve to finance new capital expenditure	(6,892)	(10,629)
Application of grants and contributions to capital financing	(8,520)	(4,237)
Private sector housing loans	10	45
Capital expenditure charged against the General Fund and Housing Revenue Account balances	(26,699)	(7,564)
Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement	(13,420)	(3,472)
<b>Balance at 31 March</b>	<b>(555,750)</b>	<b>(499,567)</b>

### 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 it is 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 37.

## Notes to the Main Financial Statements

(£000s)	2015/16	2014/15
<b>Balance at 1 April</b>	<b>124,811</b>	<b>95,201</b>
Remeasurements of the net defined benefit liability/(asset)	(21,786)	24,477
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	10,494	10,228
Employer's pension contributions and direct payments to pensioners payable in the year	(5,722)	(5,095)
<b>Balance at 31 March</b>	<b>107,797</b>	<b>124,811</b>

### 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)	2015/16	2014/15
<b>Balance at 1 April</b>	<b>4,536</b>	<b>3,395</b>
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	(17)	105
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	(2,672)	1,036
<b>Balance at 31 March</b>	<b>1,847</b>	<b>4,536</b>

## 34 Contingent Liabilities

### Legal Cases

There is a judicial review application in respect of an arboricultural issue. If the applicant obtains the court's permission for a judicial review hearing, and is ultimately successful, the Council may be liable for some or all of the claimant's costs.

The Council's housing planned maintenance contractor was notified in late 2015 of the reduced work programme they could expect for 2016/17, following a review of replacement cycles in relation to the HRA stock. There is no guaranteed volume of annual work included in the planned maintenance contract but there is a commitment for the parties to work collaboratively. Two workstreams particularly hit were the kitchen and bathroom replacements and it is in these two areas in particular where TUPE transferred ex Council employees are principally employed.

The contractor responded by raising the possibility of redundancies in the TUPE workforce and have since proceeded to reduce their workforce using voluntary severance arrangements. Having taken advice, the contractor has claimed that, contractually, the redundancy costs should rest with the Council. The Council has rejected any responsibility for the severance costs which is a view



## Notes to the Main Financial Statements

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strongly supported by its own legal advisers and is a position consistent with current practice elsewhere.

The contractor has indicated that they may consider a more formal approach in order to reclaim payment for the severance costs incurred. Any claim would be rejected by the Council and if further challenged would have to be referred to adjudication in accordance with the terms of the contract which exists between the parties.

### Rating List Proposal

The Council has been informed by the Valuation Office Agency (VOA) of a proposal made by a business rates payer to merge their national network, which currently appears in individual council rating lists nationwide, into a single listing forming one hereditament in one council area. The proposal is with effect from 1 April 2010.

The VOA need to consider this proposal and at this stage are unable to give any indication of the likelihood of the proposal succeeding or how long the proposal will take to determine.

The rateable value of the network in the Council's area is £675,000 and it has been estimated that if the proposal were accepted the backdated loss of business rates income to the 31 March 2016 to the Collection Fund would be in the order of £1.9 million. The Council's share of this loss would be £743,000.

Given the information available to it, the Council does not currently assess that it is probable that the VOA will accept the proposal and has therefore not provided for the impact in the 2015/16 accounts.

### NHS Trusts

During January and February 2016, NHS Trusts wrote to local authorities countrywide claiming charitable status and requesting mandatory relief from business rates under s.43(5) and (6) of the Local Government Act 1988, the request being backdated to 2010. If granted this would lead to a repayment of 80% of the rates paid. It has been estimated that the backdated loss of rates income to 31 March 2016 to the Collection Fund would be in the order of £12.1 million. The Council's share of this loss would be £4,857,000.

Legal advice obtained on behalf of the NHS Trusts is that they are charities. The Local Government Association (LGA) has sought legal advice on behalf of the affected councils. Counsel advice to the LGA is that NHS Trusts and Foundation Trusts are not charities, and that the applications for rate relief are therefore unfounded.

## Notes to the Main Financial Statements

### 35 Financial Instruments

#### Categories of Financial Instrument

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

(£000s)	Long Term		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015 (restated)
<b>Investments</b>				
Loans and receivables	22,000	6,000	46,728	69,296
Available-for-sale financial assets	10,000	9,434	10,073	17,021
Unquoted equity investment at cost	50	50	0	0
<b>Debtors</b>				
Loans and receivables	1,270	1,146	8,829	3,671
<b>Creditors &amp; Receipts in Advance</b>				
Financial liabilities at amortised cost	(7,778)	(8,087)	(12,872)	(14,968)
<b>Borrowing</b>				
Financial liabilities at amortised cost	(213,572)	(213,572)	(82)	(82)
	<b>(188,030)</b>	<b>(205,029)</b>	<b>52,676</b>	<b>74,938</b>

31 March 2015 figures have been restated to show a reclassification of Certificates of Deposit (totalling £17,021,000) as available-for-sale assets rather than loans and receivables to better reflect their nature. This has no material effect on their valuation at this date.

#### 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 which are included in the balance sheet as loans and receivables. 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.

## Notes to the Main Financial Statements

(£000s)	2015/16	2014/15
<b>Balance sheet carrying value as at 1 April</b>	<b>793</b>	<b>769</b>
Adjustment to opening values	4	0
Nominal value of new loans recognised in the year	23	35
Interest – increase in discounted amount	19	27
Loans repaid	(14)	(45)
Fair value adjustment	(10)	7
<b>Balance sheet carrying value as at 31 March</b>	<b>815</b>	<b>793</b>
<b>Loan payments outstanding (nominal value) at 31 March</b>	<b>895</b>	<b>881</b>

### 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)	2015/16			2014/15		
	Financial Liabilities at amortised cost	Financial Assets – Loans and Receivables	Financial Assets – Available for Sale	Financial Liabilities at amortised cost	Financial Assets – Loans and Receivables (restated)	Financial Assets – Available for Sale (restated)
Interest expense	7,532	0	0	7,496	0	0
Reductions in fair value	0	10	0	0	0	0
Reversal of losses on impaired financial assets	0	(107)	0	0	(63)	0
Impairment losses	0	216	0	0	187	0
<b>Total expense in Surplus on the Provision of Services</b>	<b>7,532</b>	<b>119</b>	<b>0</b>	<b>7,496</b>	<b>124</b>	<b>0</b>
Increases in fair value	0	0	0	0	(7)	0
Interest Income	0	(710)	(666)	0	(673)	(116)
<b>Total income in Surplus on the Provision of Services</b>	<b>0</b>	<b>(710)</b>	<b>(666)</b>	<b>0</b>	<b>(680)</b>	<b>(116)</b>
(Gains)/Losses on revaluation	0	0	(568)	0	0	566
<b>(Surplus) /deficit arising on revaluation of financial assets in Other Comprehensive Income &amp;Expenditure</b>	<b>0</b>	<b>0</b>	<b>(568)</b>	<b>0</b>	<b>0</b>	<b>566</b>

## Notes to the Main Financial Statements

£41,000 of interest income in the comparative year has been moved from loans and receivables to available-for-sale assets following the reclassification of certificates of deposit.

### Financial assets measured at fair value in the balance sheet

Available-for-sale financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2016 (£000s)	31 March 2015 (£000s)
Units in CCLA Property Fund	Level 1	Unadjusted quoted prices in active markets for identical units	10,000	9,434
Certificates of Deposit	Level 1	Unadjusted quoted prices in active markets for identical CDs	10,073	17,021
			<b>20,073</b>	<b>26,455</b>

Equity shares, as available-for-sale assets are required to be valued at fair value if material. The Council has made an exception to this treatment in respect of its shareholding in the UK Municipal Bonds Agency Plc. The shares in this company are carried at cost of £50,000 and have not been valued as a fair value cannot be measured reliably. The company is only recently established and has no trading history. There is no organisation which might provide comparable market data. The Council has no current intention to dispose of the shareholding

### Fair value of financial assets and liabilities that are not measured at fair value (but for which fair value disclosures are required)

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost. Their fair value (assessed as level 2 in the fair value hierarchy) 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 2016 of 1.89% (2.15% at 31 March 2015) has been used to calculate the fair value of private sector housing improvement loans
- ◆ Estimated ranges of interest rates at 31 March 2016 of 2.95% to 3.12% for long term loans from the Public Works Loans Board (PWLb).
- ◆ 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 assessed as follows:

(£000s)	31 March 2016		31 March 2015	
	Carrying amount	Fair Value	Carrying amount (restated)	Fair Value (restated)
<b>Financial Liabilities at amortised cost</b>				
Current liabilities	(12,872)	(12,872)	(14,968)	(14,968)
Long term liabilities	(7,778)	(7,778)	(8,087)	(8,087)
Short term borrowing	(82)	(82)	(82)	(82)
Long term borrowing	(213,572)	(233,206)	(213,572)	(278,397)
<b>Loans and receivables:</b>				
Long term debtors	1,270	1,270	1,146	1,146
Current debtors	8,829	8,829	3,671	3,671
Long term investments	22,000	22,001	6,000	5,973
Current investments	46,728	46,728	69,296	69,296

The comparative figures for current investments reflect the reclassification of Certificates of Deposit as available-for-sale assets as described above.

The fair value of the long term PWLB loans measures economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for a market transaction undertaken at the balance sheet date. The difference between the carrying amount and the fair value measure the additional interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing rates.

The fair value of the loans from the PWLB have been assessed using the new loans rate. IFRS 13 and the Code require that in the absence of a quoted price for a liability, fair value should be measured from the perspective of a market participant. For PWLB loans, measurement is therefore required from the perspective of the PWLB, assessing the price that they would be able to secure if they were to sell the loans in an orderly market transaction. However, it is sometimes not possible to find observable active markets. The Council's treasury advisors have therefore advised using the PWLB new loan rate as a suitable proxy for a transfer value and that this is comparable to other government debt, for example that issued by Transport for London (TfL). This also reflects the reality that the Council has a continuing ability to borrow at PWLB rates.

However, if the Council were to seek to take advantage of the lower prevailing market rates by repaying current PWLB loans, the PWLB would charge a penalty and the Council would have to pay the early redemption rate. The exit price for PWLB loans including this penalty would be £281,067,000. The Council has calculated the fair value of PWLB loans on this basis in previous years, including 2014/15. As the new fair value requirements of IFRS 13 do not require restatement of prior years, the Council has not obtained an alternative fair value for 2014/15.

### 36 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 2015/16 the Council made amendments to its investment strategy. 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.

## Notes to the Main Financial Statements

The table below summarises current Treasury Management limits and the changes during the year.

Counterparty	Limit	Change in 2015/16
Government Debt Management Account Deposit Facility (DMADF)	Unlimited	Unchanged
UK Government Gilts, Treasury Bills and Supranational Bonds	£15m	Unchanged
HSBC Bank Plc	£20m	Reduction of £5m
Barclays Bank plc	£25m	Increase of £5m
Single named Institution (Nationalised Banks, Local Authorities, Nationwide Building Society & UK Domiciled Banks excluding Santander)	£20m	Unchanged
UK Banks Group Limit	£30m	Unchanged
Certificates of Deposit with UK Banks (Included within single counterparties limit)	£15m	Unchanged
AAA Money Market Funds	£15m total per fund	Unchanged
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/V1)	£5m total per fund	New
UK subsidiary of foreign bank (Santander UK)	£5m	Unchanged
Named Foreign Banks (Svenska Handelsbanken and Deutsche Bank)	£5m	Unchanged
Certificates of Deposit with the Named Foreign Banks (included within single counterparties limit)	£2m	Unchanged
Building Society (dependent on asset base and investment type)	£2m to £20m	Unchanged
CCLA Local Authorities' Property Fund	£10m	Unchanged

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 gives an appropriate level of security for its investments.

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 2016 and that any residual risk cannot be quantified.

## Notes to the Main Financial Statements

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 3 years	
<b>31 March 2016</b>					
<b>United Kingdom</b>					
Banks	21,000	33,500	0	0	54,500
Building Societies	0	2,000	0	0	2,000
Local Authorities	0	0	0	22,000	22,000
<b>Total</b>	<b>21,000</b>	<b>35,500</b>	<b>0</b>	<b>22,000</b>	<b>78,500</b>

(£000s)	Maturity Band				Total
	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	
<b>31 March 2015</b>					
<b>United Kingdom</b>					
Banks	11,000	20,000	34,000	0	65,000
Building Societies	7,000	4,000	0	0	11,000
Local Authorities	5,000	3,000	2,000	6,000	16,000
<b>Total</b>	<b>23,000</b>	<b>27,000</b>	<b>36,000</b>	<b>6,000</b>	<b>92,000</b>

In addition to these the Council has investments in long term available for sale assets as detailed in note 35, which do not have a defined maturity date.

These tables exclude the investments in Heritable Bank and LBI as detailed in Note 23.

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 2016		31 March 2015	
	Gross Debt	Impairment Allowance	Gross Debt	Impairment Allowance
Long term debtors	1,270	0	1,146	0
Current and former tenants	1,387	1,181	1,479	1,203
Other debtors	9,043	419	7,926	352
	<b>11,700</b>	<b>1,600</b>	<b>10,551</b>	<b>1,555</b>

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



## Notes to the Main Financial Statements

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

(£000s)	31 March 2016	31 March 2015
<b>Balance at 1 April</b>	<b>1,555</b>	<b>1,616</b>
Increase in allowance for impairment	215	172
Balances written off during the year	(170)	(233)
<b>Balance at 31 March</b>	<b>1,600</b>	<b>1,555</b>

The Council does not generally extend credit to its customers beyond 21 days. At 31 March 2016, of the total debtor and deferred debtor balances of £11.7 million (£10.6 million at 31 March 2015), the past due amount was £2.0 million (£2.0 million at 31 March 2015) and can be analysed by age as follows:

(£000s)	31 March 2016	31 March 2015
<b>Customer Debts</b>		
Less than three months	458	563
Three to six months	138	139
Six months to one year	223	186
More than one year	1,189	1,154
<b>Balance at 31 March</b>	<b>2,008</b>	<b>2,042</b>

Debts are not generally specifically impaired, so the impairment allowance is based on the age of overdue debt and can be analysed as follows:

(£000s)	31 March 2016	31 March 2015
<b>Impairment allowance by age of debt</b>		
Less than three months	139	190
Three to six months	76	85
Six months to one year	143	115
More than one year	1,242	1,165
<b>Balance at 31 March</b>	<b>1,600</b>	<b>1,555</b>

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

## Notes to the Main Financial Statements

The maturity analysis of the loans is as follows:

(£000s)	31 March 2016	31 March 2015
Between 20 and 25 years	42,714	32,036
Between 25 and 30 years	53,393	53,393
Between 30 and 35 years	53,393	53,393
Between 35 and 40 years	53,393	53,393
Between 40 and 45 years	10,679	21,357
	<b>213,572</b>	<b>213,572</b>

Accrued interest due on the PWLB loans to 31 March 2016 was £82,000 (£82,000 in 2014/15).

### 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 and on-call money market funds for very short term cash deposits and the interest rate on these accounts is variable.

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 2015/16, if interest rates on variable rate deposits had been one percentage point higher, with all other variables held constant, the financial effect would have been an additional income of £285,000 (£380,000 in 2014/15).

#### *Price risk*

The Council does not generally invest in equity shares in individual companies. However it did invest £50,000 in the Municipal Bonds Agency in 2014/15. This company has been set up with the aim of providing an alternative source of debt, in the form of bonds, to local authorities. The initial subscription has been provided towards the funding of operating capital during the start-up phase.

The Council also invested £10 million in the Local Authorities' Property Fund in 2014/15. This is a professionally managed diversified property portfolio.

Both investments are classified as 'available-for-sale', meaning that all movements in price will impact on gains and losses recognised in Other Comprehensive Income and Expenditure.

## Notes to the Main Financial Statements

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The Council is exposed to potential losses arising from future movements in the value of the Municipal Bonds Agency shares, but given the size of the current shareholding these are not material.

A gain of £566,000 in respect of the Local Authorities' Property Fund has been recognised in Other Comprehensive Income and Expenditure in 2015/16. This reflects general movements in the value of the shares over 2015/16, based on the bid price. A further movement in the bid price of 5% (positive or negative) would have resulted in a £500,000 gain or loss being recognised in Other Comprehensive Income and Expenditure in 2015/16.

The Council also holds a number of Certificates of Deposit, shown in current investments, which are available-for-sale assets and a small gain of £2,000 has been recognised in Other Comprehensive Income and Expenditure in 2015/16 in respect of these assets.

The statutory accounting arrangements around all investments treated as available-for-sale mean that any gains or losses arising from price movements recognised in the Comprehensive Income and Expenditure Statement are not borne by the General Fund for taxation purposes until the investments are sold. The Council intends to hold the investments in the Municipal Bonds Agency and the Local Authorities' Property Fund over the long term. Certificates of Deposit are intended to be held to maturity, and in these circumstances there is no gain or loss realised on maturity.

### *Foreign exchange risk*

The Council has no material financial assets or liabilities denominated in foreign currencies.

## **37 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.

The scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme in 2015/16 was the responsibility of the Cambridgeshire Pension Fund Committee and Investment Sub-Committee. Policy is determined in accordance with the pension fund regulations.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (ie large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and the Housing Revenue Account the amounts required by statute as described in the accounting policies note.

## Notes to the Main Financial Statements

### 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:

(£000s)	Local Government Pension Scheme	
	2015/16	2014/15
<b>Comprehensive Income and Expenditure Statement</b>		
<b>Cost of Services:</b>		
Current service cost	7,334	6,098
Past service costs (including curtailments)	268	19
Effect of settlements	(1,105)	0
<b>Financing and Investment Income and Expenditure:</b>		
Net interest cost	3,997	4,111
Total post-employment benefit charged to the surplus or deficit on the provision of services	<b>10,494</b>	<b>10,228</b>
<b>Other post-employment benefit charged to the comprehensive income and expenditure statement</b>		
Remeasurement of net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	8,381	(11,993)
Changes in financial assumptions	(28,695)	41,357
Other experience changes	(1,472)	(4,887)
Total post-employment benefit charged to the comprehensive income and expenditure statement	<b>(11,292)</b>	<b>34,705</b>
<b>Movement in reserves statement</b>		
Reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the code	17,014	(29,610)
<b>Employers' contributions payable to the scheme</b>	<b>5,722</b>	<b>5,095</b>

## Notes to the Main Financial Statements

### Pensions Assets and Liabilities Recognised in the Balance Sheet

(£000s)	2015/16	2014/15
Present value of the defined benefit obligation	(277,380)	(302,046)
Fair value of plan assets	169,583	177,235
<b>Net liability arising from defined benefit obligation</b>	<b>(107,797)</b>	<b>(124,811)</b>

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 £107.8 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.

### Assets and liabilities in relation to post-employment benefits

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

(£000s)	2015/16	2014/15
<b>Opening balance at 1 April</b>	<b>(302,046)</b>	<b>(253,978)</b>
Current Service Cost	(7,334)	(6,098)
Past service cost	(268)	(19)
Effect of settlements	5,734	0
Interest Cost	(9,556)	(10,926)
Contributions by scheme participants	(1,584)	(1,609)
Benefits paid	7,246	6,947
Estimated unfunded benefits paid	261	107
Remeasurements – changes in financial assumptions	28,695	(41,357)
Remeasurements – other experience	1,472	4,887
Remeasurements – changes in demographic assumptions	0	0
<b>Closing balance at 31 March</b>	<b>(277,380)</b>	<b>(302,046)</b>

Changes in financial assumptions reflect the change in the discount rate used by the actuary to estimate the Council's liability as detailed in Note 42.

## Notes to the Main Financial Statements

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

(£000s)	2015/16	2014/15
<b>Opening balance at 1 April</b>	<b>177,235</b>	<b>158,777</b>
Effect of settlements	(4,629)	0
Interest income on plan assets	5,559	6,815
Contributions by scheme participants	1,584	1,609
Employer Contributions	5,461	4,988
Contributions in respect of unfunded benefits	261	107
Benefits paid	(7,246)	(6,947)
Unfunded benefits paid	(261)	(107)
Remeasurements – return on assets excluding amount in net interest expense	(8,381)	11,993
<b>Closing balance at 31 March</b>	<b>169,583</b>	<b>177,235</b>

### Local Government Pension Scheme asset breakdown

(£000s)	Fair value of scheme assets	
	2015/16	2014/15
Cash and cash equivalents	3,474	5,311
<b>Equity instruments:</b>		
Consumer	3,961	17,554
Manufacturing	3,314	10,866
Energy & utilities	2,892	4,993
Financial Institutions	6,277	14,495
Health and care	2,702	8,629
Information technology	1,361	8,013
Other	0	0
Private Equity	13,184	12,566
<b>Investment Funds and Unit Trusts:</b>		
Equities	92,159	54,599
Bonds	25,661	27,023
Other	14,598	13,186
<b>Closing balance at 31 March</b>	<b>169,583</b>	<b>177,235</b>

Cash and cash equivalents and equity instruments have quoted prices in active markets except for private equities. Investment funds and unit trusts have quoted prices, but not in active markets.

## Notes to the Main Financial Statements

### 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.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2015/16	2014/15
<b>Mortality Assumptions:</b>		
<i>Longevity at 65 for current pensioners</i>		
Men	22.5	22.5
Women	24.5	24.5
<i>Longevity at 65 for future pensioners</i>		
Men	24.4	24.4
Women	26.9	26.9
Rate of increase in salaries	4.2%	4.3%
Rate of increase in pensions	2.2%	2.4%
Rate for discounting scheme liabilities	3.5%	3.2%
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 analysis below has 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.

## Notes to the Main Financial Statements

Change in assumption at 31 March 2016	Approximate % increase to Employer Liability	Approximate Monetary amount (£000s)
0.5% decrease in the real discount rate	11%	30,537
1 year increase in member life expectancy	3%	8,314
0.5% increase in the salary increase rate	3%	9,201
0.5% increase in the pensions increase rate	8%	20,833

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

The Council expects to pay contributions of £5,932,000 in 2016/17.

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
Weighted Average 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

### 38 Cashflow Statement – Operating Activities

The cash flows for operating activities include the following items:

(£000s)	2015/16	2014/15
Housing rents	20,237	19,422
Revenue Support Grant	3,012	4,311
Council Share on non-domestic rates income collected	38,630	37,133
Non domestic rates – tariff payment to central government	(33,544)	(32,915)
New Homes Bonus Grant	4,976	3,389
Non domestic rates – safety net payment received from central government	0	1,571
Non domestic rates – levy payment to central government	(152)	0
Section 31 grants received from central government	1,336	675
Green Deal Grant	0	7,857
Housing Benefit subsidies	38,439	39,867
Council share of Council Tax receipts	7,048	6,769
Cash paid to and on behalf of employees	(25,639)	(26,861)
Employer national insurance and pension contributions paid	(7,459)	(6,240)
Payments to the capital receipts pool	(1,078)	(1,120)
Housing Benefit paid	(19,588)	(19,298)
Interest received	1,276	583
Interest paid	(7,534)	(7,496)
Other cashflows	(603)	8,153
	<b>19,357</b>	<b>35,800</b>

### 39 Cashflow Statement – Investing Activities

The cash flows for investing activities are as follows:

(£000s)	2015/16	2014/15
Purchase of property, plant and equipment, investment property and intangible assets	(50,553)	(21,726)
Purchase of short-term and long-term investments	(74,000)	(118,475)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	11,221	7,102
Proceeds from short-term and long-term investments	87,662	92,465
Other receipts from investing activities	3,154	5,375
	<b>(22,516)</b>	<b>(35,259)</b>

## Notes to the Main Financial Statements

### 40 Cashflow Statement – Financing Activities

(£000s)	2015/16	2014/15
Other receipts from financing activities	5,077	154
<b>Net cash flows from financing activities</b>	<b>5,077</b>	<b>154</b>

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.

### 41 Impact of the adoption of new accounting standards on the financial statements – effective for the 2016/17 financial year

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been *issued* but not yet adopted. This applies to the adoption of the following new or amended standards within the 2016/17 Code:

- Amendments to IAS19 *Employee Benefits*
- Annual Improvements to IFRSs cycle
- Amendment to IFRS11 *Joint Arrangements*
- Amendment to IAS 16 *Property Plant and Equipment* and IAS38 *Intangible Assets*
- Amendment to IAS1 *Presentation of Financial Statements*
- Changes to the format of the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis, as part of CIPFA's *Telling the Story* review.

The Council does not anticipate that the above amendments will have a material impact on the information provided in local authority financial statements ie there is unlikely to be a change to the reported information in the reported net cost of services or the Surplus or Deficit on the Provision of Services. However, in the 2016/17 year the comparator 2015/16 Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement must reflect the new formats and reporting requirements as a result of the Telling the Story review of local authority accounts.

### 42 Changes in accounting estimates

The Council has made the following significant changes to accounting estimates.

#### Change in discount rate for assessing pension liabilities

In assessing liabilities for retirement benefits at 31 March 2015 for the 2014/15 Statement of Accounts the actuary assumed a discount rate of 3.2%. For the 2015/16 Statement of Accounts the actuary has advised that a rate of 3.5% is appropriate. Application of this rate (and related RPI/CPI inflation and salary increase assumptions) has resulted in a reduction in liabilities of £29.1 million, as reflected in the remeasurement losses recognised for the year in Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

#### Change in remaining useful economic lives of dwellings

During 2015/16 the Council undertook a review of the remaining useful lives of dwellings, in conjunction with the external housing stock valuer.

## Notes to the Main Financial Statements

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The previous remaining lives were based on age bandings, so that older properties had a shorter remaining life. However, having undertaken the review the Council and the valuer have determined that it is appropriate to adopt a single average life across the whole stock, irrespective of age, as the Council maintains all properties to decent homes standard.

The previous estimation technique also took no account of the potentially different lives of some of the major components of properties, when compared to the structure. Taking these into account, the Council has adopted weighted average lives of 46 years for houses and 45 years for flats in 2015/16.

The effect of the change in estimate is to reduce the depreciation charge for dwellings in 2015/16 by approximately £2.6 million. This change has no impact on HRA reserves. There is expected to be an ongoing reduction in the depreciation charge compared to the previous estimation basis.

### **43 Date the Statement of Accounts were authorised for issue**

The audited accounts were authorised for issue by the Council's Section 151 officer on yy September 2016. This is the date up to which events after the balance sheet date have been considered.

### **44 Events after the Reporting Period**

As noted above the unaudited accounts were authorised for issue on yy September 2016. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2016, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.



## **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	2015/16	2014/15
<b>Income</b>			
Dwelling rents	2	(37,033)	(35,983)
Non-dwelling rents		(696)	(673)
Charges for services and facilities		(3,076)	(2,896)
Contributions towards expenditure		(428)	(460)
Reimbursement of costs		(32)	(33)
<b>Total</b>		<b>(41,265)</b>	<b>(40,045)</b>
<b>Expenditure</b>			
Repairs & Maintenance		6,890	7,051
Supervision & Management		7,290	6,810
Rents, rates, taxes & other charges		226	259
Depreciation, impairment & reversal of revaluation losses on non-current assets		444	(4,113)
Increased provision for bad debts		148	145
<b>Total</b>		<b>14,998</b>	<b>10,152</b>
<b>Net cost of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>		<b>(26,267)</b>	<b>(29,893)</b>
HRA services share of Corporate and Democratic Core		300	294
HRA Services share of Non-Distributed Costs		10	111
<b>Net Cost of HRA Services</b>		<b>(25,957)</b>	<b>(29,488)</b>
<b>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement</b>			
(Surplus) or deficit on sale of HRA non-current assets		(3,296)	(5,862)
Other income		(79)	(180)
Interest payable on PWLB loans		7,530	7,494
Interest and Investment Income		(973)	(764)
Capital Grants and Contributions Receivable		(1,455)	(1,230)
<b>(Surplus) / Deficit for the year on HRA services</b>		<b>(24,230)</b>	<b>(30,030)</b>

## Additional Financial Statements and Information

### Statement of Movement on the Housing Revenue Account Balance

(£000s)	Note	2015/16	2014/15
<b>(Surplus) / Deficit for the year on the HRA Income and Expenditure Account</b>		<b>(24,230)</b>	<b>(30,030)</b>
<b>Adjustments between accounting basis and funding basis under statute</b>			
Gain on sale of non-current assets		3,296	5,862
Other capital receipts		79	180
Net revaluation gains/(losses) on property, plant and equipment		9,329	15,024
Revenue expenditure funded from capital under statute and de-minimus capital expenditure		(877)	(597)
Capital Contributions unapplied credited to the Comprehensive Income and Expenditure Statement		1,455	1,230
Movement in investment property value		99	(9)
Net charges made for retirement benefits made in accordance with IAS19	10	(1,364)	(1,262)
Employers Contributions payable to the Cambridgeshire County Council Pension Fund	10	1,149	1,045
Sums to be debited or credited to the HRA that are not income or expenditure in accordance with GAAP		11	8
Capital Expenditure funded by the Housing Revenue Account	7	17,101	5,115
Transfer from the Major Repairs Reserve	9	(770)	(2,401)
<b>Net (increase) / decrease before transfers to or from reserves</b>		<b>5,278</b>	<b>(5,835)</b>
Transfers to reserves		(204)	(150)
<b>Total movement on Housing Revenue Account for the year</b>		<b>5,074</b>	<b>(5,985)</b>
<b>Housing Revenue Account balance brought forward</b>		<b>(14,865)</b>	<b>(8,880)</b>
<b>Housing Revenue Account balance carried forward</b>		<b>(9,791)</b>	<b>(14,865)</b>



## 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 2016, 1.0% of properties were vacant (0.8% at 31 March 2015).

The average rent payable in 2015/16 was £109.80 per week based on 48 payable rent weeks (£101.36 per week on a 52 week basis). The average rent payable in 2014/15 was £106.92 per week based on 48 payable rent weeks (£98.70 per week on a 52 week basis).

#### 3 Asset Values within the HRA

(£000s)	Asset Values		Depreciation	
	31 March 2016	1 April 2015	2015/16	2014/15
Dwellings	586,941	538,100	8,517	10,035
Other Land and Buildings	8,442	7,230	121	131
Infrastructure	2,147	1,732	45	33
Vehicles, Plant and Equipment	197	216	26	18
Investment Properties	5,228	5,208	0	0
Intangible Assets	19	0	0	0
Non-current assets held for disposal	95	0	0	0
Surplus Assets	0	196	2	113
Assets in the course of construction	21,427	11,925	0	0
	<b>624,496</b>	<b>564,607</b>	<b>8,711</b>	<b>10,330</b>

The value of council dwellings at 1 April 2015, based on vacant possession, was £1,380 million (1 April 2014: £1,276 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 £9.1 million have been credited to the Comprehensive Income and Expenditure Statement in 2015/16 (net revaluation loss reversals

## Additional Financial Statements and Information

credited of £15.0 million in 2014/15). Remaining valuation movements in the value of property, plant and equipment have been charged to the revaluation reserve.

The Council has changed the basis of estimation of useful lives for dwellings used in the calculation of dwelling depreciation in 2015/16 as disclosed in Note 42 to the main financial statements.

### 4 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 on this debt being charged to the HRA in 2015/16 (£7,494,000 in 2014/15).

### 5 Housing Stock

The Council was responsible for an average stock of 7,065 dwellings during the year. The stock as at 31 March 2016 was as follows:-

	31 March 2016	31 March 2015
Houses & bungalows	3,597	3,607
Flats	2,933	2,900
Sheltered housing units	510	509
Shared ownership properties (whole property equivalent)	37	36
<b>Total</b>	<b>7,077</b>	<b>7,052</b>
The change in stock during the year can be summarised as follows:		
<b>Stock at 1 April</b>	<b>7,052</b>	<b>7,203</b>
Right to buy sales	(42)	(51)
Open market disposals	(4)	0
Net shared ownership changes	1	(3)
New properties	65	18
Other changes	5	(6)
Demolitions	0	(109)
<b>Stock as at 31 March</b>	<b>7,077</b>	<b>7,052</b>

### 6 Rent Arrears

Rent arrears at 31 March 2016 were £1,334,359 (£1,401,226 at 31 March 2015) and as a proportion of gross rent income have decreased from 3.66% in 2014/15 to 3.37% in 2015/16.

At 31 March 2016 a provision for bad debt of £1,181,406 was held in the balance sheet (£1,203,043 at 31 March 2015).

## Additional Financial Statements and Information

### 7 Financing of Capital Expenditure

(£000s)	2015/16	2014/15
<b>Capital Expenditure</b>		
Dwellings	10,124	13,248
Land and Buildings	0	189
Vehicles, Plant and Equipment	6	47
Infrastructure Assets	460	490
Assets under Construction	20,243	9,188
Investment Properties	181	24
Intangible assets	19	0
De minimis capital expenditure	877	597
	<b>31,910</b>	<b>23,783</b>
<b>Financed by:</b>		
Capital receipts	6,462	6,799
Major repairs reserve	6,892	10,629
Revenue financing of capital	17,101	5,115
Capital contributions and grants	1,455	1,240
	<b>31,910</b>	<b>23,783</b>

### 8 Capital receipts within the HRA

(£000s)	2015/16	2014/15
Dwellings	7,781	6,952
Land	2,649	5,948
Total receipts	<b>10,430</b>	<b>12,900</b>
Payable to central government	(857)	(1,279)
Usable capital receipts	<b>9,573</b>	<b>11,621</b>

## Additional Financial Statements and Information

### 9 Major Repairs Reserve (MRR)

(£000s)	2015/16	2014/15
<b>Balance at 1 April</b>	<b>(2,219)</b>	<b>(4,919)</b>
Transfer to MRR during the year	(8,711)	(10,330)
Amount transferred from MRR to HRA	770	2,401
HRA capital expenditure on housing charged to MRR	6,892	10,629
<b>Balance at 31 March</b>	<b>(3,268)</b>	<b>(2,219)</b>

### 10 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 rents reflects employer contributions payable by the Council.

## 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	2015/16		2014/15	
		Council Tax	Non-domestic rates	Council Tax	Non-domestic rates
Council Tax	2	(62,781)	0	(60,241)	0
Non domestic rates income		0	(96,541)	0	(93,386)
Contributions towards previous year's estimated Collection Fund deficit					
Central Government		0	(3,961)	0	(1,614)
Cambridge City Council		(60)	(3,169)	0	(1,292)
Cambridgeshire County Council		(391)	(713)	0	(291)
Cambridgeshire Police & Crime Commissioner		(63)	0	0	0
Cambridgeshire Fire Authority		(22)	(79)	0	(32)
Transitional protection receipts		0	(210)	0	0
<b>Total Income</b>		<b>(63,317)</b>	<b>(104,673)</b>	<b>(60,241)</b>	<b>(96,615)</b>
<b>Council Tax Expenditure</b>					
Cambridge City Council	4	7,060	0	6,706	0
Cambridgeshire County Council	4	45,709	0	43,419	0
Cambridgeshire Police & Crime Commissioner	4	7,244	0	7,018	0
Cambridgeshire Fire Authority	4	2,567	0	2,486	0
Impairment of Council Tax debts	5	582	0	1,548	0
<b>Non-domestic rates Expenditure</b>					
Cambridge City Council		0	38,663	0	38,727
Cambridgeshire County Council		0	8,699	0	8,713
Cambridgeshire Fire Authority		0	967	0	968
Non-domestic rates due to central government		0	48,329	0	48,408
Transitional protection payments		0	0	0	1,074
Impairment of non-domestic rates debts	6	0	456	0	322
Provision for non-domestic rates appeals	6	0	652	0	765
Allowable costs of non-domestic Rates Collection		0	228	0	228
<b>Total Expenditure</b>		<b>63,162</b>	<b>97,994</b>	<b>61,177</b>	<b>99,205</b>
<b>(Surplus)/Deficit for the year</b>		<b>(155)</b>	<b>(6,679)</b>	<b>936</b>	<b>2,590</b>
<b>(Surplus)/Deficit as at 1 April</b>		<b>844</b>	<b>11,102</b>	<b>(92)</b>	<b>8,512</b>
<b>(Surplus)/Deficit as at 31 March</b>	<b>6</b>	<b>689</b>	<b>4,423</b>	<b>844</b>	<b>11,102</b>

## 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 2016 was set at £1,566.62, made up as follows:

(£000s)	2015/16	2014/15
Cambridge City Council	176.75	173.29
Cambridgeshire County Council	1,144.26	1,121.94
Cambridgeshire Police & Crime Commissioner	181.35	181.35
Cambridgeshire Fire Authority	64.26	64.26
<b>Total</b>	<b>1,566.62</b>	<b>1,540.84</b>

The following table shows the calculation of the Council Tax Base for 2015/16 (used to determine the tax needed at Band D to finance spending).

#### Council Tax Base 2015/16

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	3,350	1,964	6/9	1,309
B	9,814	6,136	7/9	4,772
C	18,425	14,163	8/9	12,589
D	9,258	7,608	9/9	7,608
E	5,284	4,440	11/9	5,427
F	3,392	2,950	13/9	4,261
G	2,911	2,423	15/9	4,038
H	456	273	18/9	545
<b>Total</b>	<b>52,890</b>	<b>39,957</b>		<b>40,549</b>
<b>Tax Base adjustments</b>				<b>(603)</b>
<b>Tax base for Council Tax Setting</b>				<b>39,946</b>

## Additional Financial Statements and Information

Adjustments to the Council Tax base are made for growth, losses in collection, student exemptions and empty and second homes to calculate the base for Council Tax setting purposes.

The income of £62.8 million in 2015/16 was receivable from the following sources:

(£000s)	2015/16	2014/15
Billed to Council Tax payers	62,768	60,231
Council Tax benefits	(15)	(17)
Ministry of Defence Contributions in Lieu	28	27
<b>Total</b>	<b>62,781</b>	<b>60,241</b>

### 3 National Non-Domestic Rates Income

The local rateable value as at 31 March 2016 was £257,740,025 (£256,210,175 at 31 March 2015) and the Uniform Business Rate in 2015/16 was set by the government at 49.3p (2014/15, 48.2p).

### 4 Council Tax Expenditure

(£000s)	2015/16			2014/15		
	Precepts and Demands	Distribution of previous years' surplus	Total	Precepts and Demands	Distribution of previous years' surplus	Total
Cambridge City Council	7,060	0	7,060	6,702	4	6,706
Cambridgeshire County Council	45,709	0	45,709	43,391	28	43,419
Cambridgeshire Police and Crime Commissioner	7,244	0	7,244	7,013	5	7,018
Cambridgeshire Fire Authority	2,567	0	2,567	2,485	1	2,486

### 5 Provision for Non-Payment - Council Tax

A contribution of £581,942 (£1,548,257 in 2014/15) was made to a provision for bad debts. During 2015/16, £741,518 of debts were written off (in 2014/15 £3,873).

### 6 Provision for Non-Payment and appeals - Non-Domestic Rates

A contribution of £469,629 (a contribution of £219,526 in 2014/15) was made to a provision for bad debts. Net of write offs, debts of £13,261 were written back (net write offs of £101,980 in 2014/15).

A provision for appeals relating to rateable value reductions in respect of 2015/16 and prior years has been established following the introduction of the new business rates retention scheme for local government. At 31 March 2016 this provision is £9,511,390 (£8,859,516 at 31 March 2015).

## Additional Financial Statements and Information

### 7 Collection Fund Surpluses and Deficits

The deficit of £689,259 at 31 March 2016 (£844,442 deficit at 31 March 2015), 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.

The total Council Tax Collection Fund deficit/ (surplus) is therefore shared as follows:

(£000s)	31 March 2016	31 March 2015
Council Tax:		
Cambridge City Council	78	95
Cambridgeshire County Council	503	615
Cambridgeshire Police & Crime Commissioner	80	99
Cambridgeshire Fire Authority	28	35
<b>Total</b>	<b>689</b>	<b>844</b>

The deficit of £4,422,974 at 31 March 2016 (£11,101,749 at 31 March 2015) 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 2016	31 March 2015
Non-Domestic Rates:		
Cambridge City Council	1,769	4,441
Cambridgeshire County Council	398	999
Cambridgeshire Fire Authority	44	111
Central Government	2,212	5,551
<b>Total</b>	<b>4,423</b>	<b>11,102</b>



## **Statement of Accounting Policies and Glossary of Financial Terms and Abbreviations**



# Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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## Statement of Accounting Policies

### 1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2015/16 financial year and its position at the year-end of 31 March 2016. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, 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 2015/16 and the Service Reporting Code of Practice 2015/16, 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.

# Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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 mature in less than three months from the date of acquisition and 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

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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.

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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- Liabilities are discounted to their value at current prices, using a discount rate of 3.5% (based on the yields of the constituents of the iBoxx £ Corporates AA index, gilts yields, 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

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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 Fair value measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as available for sale financial assets at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that the participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

### 10 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 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.

### 11 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



## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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### 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 charge made to the relevant service (for items specific to a service) or 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.

### Available-for-Sale Assets

Available-for-sale assets are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, 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 amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (eg dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the balance sheet at fair value. Values are based on the following principles:

- Instruments with quoted market prices – the market price

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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- Other instruments with fixed and determinable payments – discounted cash flow analysis
- Equity shares with no quoted market prices – independent appraisal of company valuations

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain or loss is recognised in the surplus or deficit on revaluation of available-for-sale financial assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

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 (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, 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. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains or losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is measured at cost (less any impairment losses).

### 12 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

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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.

### 13 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 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.

# Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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## 14 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.

## 15 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, being the price that would be received to sell such an asset in an orderly transactions between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use.. 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.

## 16 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.

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

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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 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

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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- 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.

## **17 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 2015/16* (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.

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.



## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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### 18 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, which is estimated to be about 25% of the gross costs. The Council accounts for 75% 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 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.

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- Operational land and buildings – current value, determined as the amount that would be for the asset in its existing use (EUV). Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.
- Surplus assets – the current value measurement basis is fair value, estimated at highest and best use from a market participant's perspective.
- Vehicles, Plant & Equipment – as these assets have short lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current 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)



## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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 and non-current assets held for sale

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.

The Council is undertaking a number of housing redevelopments where part of the cost of building social housing units is being 'paid' by the transfer of land on which the developer will build and sell market units. The Council assesses that it transfers the risks and rewards of ownership of this land at the point that the agreement with the developer becomes unconditional rather than at legal disposal (once the value of social housing build work equals the value of the land).

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

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 are 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

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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 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.

## **19 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.. Further information on the most significant items in the collection can be found on the Council's website.

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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### Art Collection

The art collection (both oil and watercolour) includes portraits of historic figures with links to the city (many of them previous mayors and MPs) and paintings of the city. These items are reported in the balance sheet at insurance valuation which is based on market values. These items are deemed to have indeterminate lives and high residual values so the Council does not consider it appropriate to charge depreciation.

The civic regalia and art collection are deemed to have indeterminate lives and high residual values so the Council does not consider it appropriate to charge depreciation. The Council does not normally make any purchases or disposals of these items. 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.

### Cellarer's Chequer

The Council owns Cellarer's Chequer on the site of Barnwell Priory. The Cellarer was the second most important position in a monastery after the Abbot, dealing with the sourcing of provisions and supplies for the community. The Chequer is constructed from Barnack Stone with a tiled roof. It is in Early English style and is thought to be mid 13<sup>th</sup> century, retaining a doorway, windows and fireplace from this period. Further details can be found on the Council's website.

The Council considers that obtaining an accurate valuation for the Chequer would involve a disproportionate cost in comparison to the benefits to users of the accounts. This is because of the lack of comparable values. Consequently this asset is not recognised on the balance sheet.

## **20 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.

# Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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## 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.

## **21 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 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 do not represent usable resources for the Council – these reserves are explained in the relevant policies.

## **22 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.

## **23 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.

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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### 24 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.



# Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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## Glossary of Financial Terms and Abbreviations

### 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.

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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.



# Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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 &) 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.

## Statement of Accounting Policies & Glossary of Financial Terms and Abbreviations

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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 2014/15. 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

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### Abbreviations used in the accounts

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

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## Appendix B



Neil Harris  
Ernst & Young LLP  
One Cambridge Business Park  
Cowley Road  
Cambridge  
CB4 0WZ

14 September 2016

Dear Mr Harris

### **Cambridge City Council - Audit for the 2015/16 year ended 31 March 2016**

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 2015/16 year ended 31 March 2016. All representations cover the Authority's accounts included within the financial statements.

#### **Financial Statements and Financial Records**

I have fulfilled my responsibilities, 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 referred to above 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 controls to prevent and detect fraud.

I confirm that I have disclosed the results of our assessment of the risk that 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 14 September 2016.

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.

### **Segmental Reporting**

I have reviewed the operating segments reported internally to management and I am satisfied that it is appropriate to aggregate these as, in accordance with IFRS 8 Operating Segments, they are similar in each of the following respects:

- The nature of the products and services.
- The nature of the production processes.
- The type or class of customer for their products and services.
- The methods used to distribute their products.

### **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.

### **Retirement Benefits**

On the basis of the process established by the Council, and having made appropriate enquiries, I am satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with my knowledge of the Council. All significant retirement benefits and settlements and curtailments have been identified and properly accounted for.

### **Use of Management Experts**

I agree with the findings of the experts engaged to evaluate the values of the Council's land and buildings and have adequately considered the qualifications of the experts in determining the amounts and disclosures included within the Council's financial statements and the underlying accounting records. I did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and I am not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.



**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 14 September 2016.

Signed :

Signed :

**Caroline Ryba**

**Head of Finance**

**Councillor R McPherson**

**Chair of Civic Affairs Committee**

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# Cambridge City Council

Audit Results Report - ISA (UK and Ireland) 260  
for the year ended 31 March 2016

SEPTEMBER 2016

Ernst & Young LLP





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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psaa.co.uk](http://www.psaa.co.uk))

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. This report is intended solely for the use of the Members of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

# 1. Executive summary

The National Audit Office's Code of Audit Practice (the Code) requires us to report to those charged with governance – the Civic Affairs Committee – on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified. This report summarises the findings from the 2015/16 audit which is substantially complete. It includes messages arising from our audit of your financial statements and the results of the work we have undertaken to assess your arrangements to secure economy, efficiency and effectiveness in your use of resources.

Below are the results and conclusions on the significant areas of the audit process.

<b>Status of the audit</b>	<p>We have substantially completed our audit of the financial statements of Cambridge City Council for the year ended 2015/16. Subject to satisfactory completion of the following outstanding items/outstanding items included in Appendix A we will issue an audit opinion in the form which appears in Appendix D:</p> <p>Subject to the items listed in Appendix A we have performed the procedures outlined in our Audit Plan and anticipate issuing an unqualified opinion on the Authority's financial statements.</p> <p>We expect to conclude that you have put in place proper arrangements to secure value for money in your use of resources.</p> <p>We have performed the procedures required by the National Audit Office (NAO) regarding the Whole of Government Accounts submission. We had no issues to report.</p> <p>We expect to issue the audit certificate at the same time as the audit opinion.</p>
<b>Audit differences</b>	<p>There are no unadjusted audit differences.</p> <p>In collating evidence requested for an audit sample, management identified a difference which they corrected. This adjustment did not have an impact on the General Fund or Housing Revenue Account Reserves.</p>
<b>Scope and materiality</b>	<p>In our audit plan presented at the February Civic Affairs Committee meeting, we communicated that our audit procedures would be performed using a materiality of £2.39 million. We have reassessed this based on the actual results for the financial year and there has been no change to the materiality level we have applied.</p> <p>The threshold for reporting audit differences which impact the financial statements has also not changed. The basis of our assessment is 2% of gross operating expenditure, which has remained consistent with prior years.</p> <p>We carried out our work in accordance with our Audit Plan.</p>
<b>Significant audit risks</b>	<p>We identified the following audit risks during the planning phase of our audit, and reported these to you in our audit plan:</p> <ul style="list-style-type: none"> <li>• Valuation and Impairment of Property Plant and Equipment</li> <li>• Pension Liability</li> </ul>

- 
- Risk of fraud in revenue recognition
  - Risk of management override

The 'addressing audit risks' section of this report sets out how we have gained audit assurance over those issues.

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**Other reporting issues**

We have no other matters we wish to report.

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**Control observations**

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

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We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

Neil Harris

Executive Director  
For and on behalf of Ernst & Young LLP

## **2. Responsibilities and purpose of our work**

### **The Council's responsibilities**

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement (AGS). In the AGS, the Council reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

### **Purpose of our work**

Our audit was designed to:

- Express an opinion on the 2015/16 financial statements and the consistency of other information published with them;
- Report on an exception basis on the Annual Governance Statement;
- Consider and report any matters that prevent us being satisfied that the Council had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion); and
- Discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

In addition, this report contains our findings related to the areas of audit emphasis and any views on significant deficiencies in internal control or the Council's accounting policies and key judgments.

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.



### 3. Financial statements audit

#### Addressing audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

A significant audit risk in the context of the audit of the financial statements is an inherent risk with both a higher likelihood of occurrence and a higher magnitude of effect should it occur and which requires special audit consideration. For significant risks, we obtain an understanding of the entity's controls relevant to each risk and assess the design and implementation of the relevant controls.

Significant Risks (including fraud risks)	Audit procedures performed	Assurance gained and issues arising
<p><b>Valuation and Impairment of Property, Plant and Equipment</b></p> <p>Property, Plant and Equipment (PPE) represent the largest asset values on the Council's balance sheet.</p> <p>Land and buildings are initially measured at cost and then revalued to fair value. Council dwellings are revalued annually whilst other land and buildings and investment property are revalued on a 5 year rolling basis.</p> <p>This is carried out by an external expert valuer and is based on a number of complex assumptions. Annually assets are assessed to identify whether there is any indication of impairment.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of external experts and assumptions underlying fair value estimates.</p>	<p>We obtained an understanding of and evaluate key controls over the valuation of PPE.</p> <p>Where asset valuations were undertaken in-year we:</p> <ul style="list-style-type: none"> <li>• agreed the source data used by your valuer to supporting records;</li> <li>• assessed the work of your valuer; and</li> <li>• agreed the outputs to your fixed asset register and statements</li> </ul> <p>Where the Council proposes significant changes to valuation bases we will evaluate the rationale.</p> <p>Where assets are not revalued in-year, we will review the Council's impairment assessment and consideration of whether the carrying values of these assets remain appropriate.</p>	<p>Our planned procedures in relation to this risk are substantially complete, subject to review.</p> <p>There are no issues to report to the Committee.</p>
<p><b>Pension Liability</b></p> <p>The Council operates a defined benefits pension scheme. Accounting for this scheme involves significant estimation and judgement. The Pension liability is the largest balance on the balance sheet. Due to the nature, volume and size of the transactions we consider this to be a significant risk.</p>	<p>We obtained an understanding of and evaluated key controls over the valuation of the pension liability.</p> <p>We considered:</p> <ul style="list-style-type: none"> <li>► the expertise of the Actuary used by the Council;</li> <li>► the reasonableness of the estimations and judgements used; and the completeness and accuracy of the data provided to the Actuary</li> </ul>	<p>Our planned procedures in relation to this risk are substantially complete, subject to review.</p> <p>There are no issues to report to the Committee.</p>

<p><b>Risk of management override</b></p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<ul style="list-style-type: none"> <li>• Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements</li> <li>• Reviewed accounting estimates for evidence of management bias; and</li> <li>• Evaluated the business rationale for any significant unusual transactions.</li> <li>• Reviewed capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.</li> </ul>	<p>Our planned procedures in relation to this risk are substantially complete, subject to review.</p> <p>There are no issues to report to the Committee.</p>
<p><b>Risk of fraud in revenue recognition</b></p> <p>Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue.</p> <p>In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p>	<ul style="list-style-type: none"> <li>• Reviewed and tested revenue and expenditure recognition policies;</li> <li>• Reviewed and discussed with management any accounting estimates on revenue or expenditure recognition for evidence of bias;</li> <li>• Developed a testing strategy to test material revenue and expenditure streams; and</li> <li>• Reviewed and tested revenue cut-off at the period end date.</li> </ul>	<p>Our planned procedures in relation to this risk are substantially complete, subject to review.</p> <p>There are no issues to report to the Committee.</p>

## Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we are required to communicate to you significant findings from the audit and other matters that are significant to you oversight of the Council's financial reporting process, including the following:

- Qualitative aspects of your accounting practices; estimates and disclosures;
- Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions;
- Any significant difficulties encountered during the audit; and
- Other audit matters of governance interest

At the start of the audit we requested a list of all contracts/agreements which the Council is party to. Officers were able to provide a contract register but noted that it was a couple of years out of date and that due to the amount of time it took to maintain and the difficulty of obtaining data from service areas it had fallen into misuse.

We understand that Officers are currently working on an alternative strategy for a new contracts register as part of the work under the procurement review aimed at setting up a virtual procurement shared service between Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council. We recommend that a contracts register is implemented and maintained in order that there is one central log of the contracts and agreements that the Council is committed to.

## **Control themes and observations**

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

We are currently concluding our review of the Annual Governance Statement but expect to confirm that it is not misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council at the Civic Affairs Committee.

## **Request for written representations**

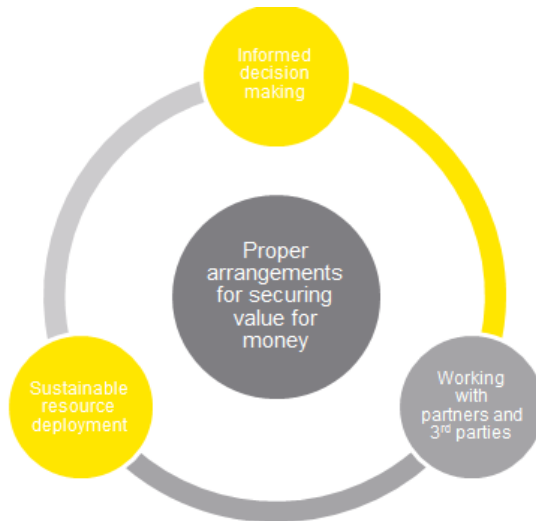
We have requested a management representation letter to gain management's confirmation in relation to a number of matters, as outlined in Appendix E.

## **Whole of Government Accounts**

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.

We are currently concluding our work in this area and will report any matters that arise to the Civic Affairs Committee.

## 4. Value for money



We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

In recent years the Council has responded well to the financial pressures arising from the recent economic downturn, and reductions in the level of central government funding to local government. These factors will continue to impact the Council's medium term financial strategy during the current and forthcoming financial years.

We reviewed the Council's 2016/17 Budget Setting Report for 2016/17. The Council has well established arrangements for reviewing its medium term financial plan which incorporates key assumptions and sensitivity review. The Council has a proven track record of achieving savings and achieving its budget. The General Fund balance at £16 million is well in excess of the Council's minimum level of £5.1 million, and there are earmarked reserves of £17.8 million. The Council is already developing plans for tackling the savings requirement of £3.5 million cumulative savings required over the period ending 2020/21.

On the basis of the work undertaken we have concluded that the Council has arrangements in place for deploying resources in a sustainable manner.

### Overall conclusion

Our overall conclusion is still subject to final review however; we have performed the procedures outlined in our audit plan and we have not identified any significant risks or weaknesses in relation to these criteria in our work to date.

We therefore expect to conclude that you have put in place proper arrangements to secure value for money in your use of resources.

## Appendix A – Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report

Item	Actions to resolve	Responsibility
Management representation letter	Receipt of signed letter of representation	Management and Civic Affairs Committee
Subsequent events review	Completion of the subsequent events procedures to the date of signing the audit report	EY and management
Pension Liability Valuation	Receipt and evaluation of assurance from the Pension fund administrator's auditor	EY and Cambridgeshire Pension Fund auditor
Whole of Government Accounts	Preparation of submission by management, and review of the submission by EY	EY and management
Value for Money	Update of our initial risk assessment to ensure arrangements remain in place	EY
Final completion of audit procedures; Manager review; and Engagement Partner review	<p>Management and EY to work together to complete any outstanding work. Key areas outstanding at the time of drafting this report are:</p> <ul style="list-style-type: none"> <li>▶ Completion of procedures on: <ul style="list-style-type: none"> <li>▶ Grant and other income</li> <li>▶ PPE additions</li> <li>▶ HRA Expenditure and notes</li> <li>▶ Housing Benefits</li> <li>▶ Provisions</li> <li>▶ Reserves</li> <li>▶ Other notes</li> <li>▶ Related party transactions</li> </ul> </li> <li>▶ Review of the Annual Governance Statement; and narrative report</li> </ul>	EY and management

## Appendix B – Independence

We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 26 January 2016.

We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Public Sector Audit Appointments Ltd (PSAA)'s Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Civic Affairs Committee on 14 September 2016.

We confirm that we have met the reporting requirements to the Civic Affairs Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance. Our communication plan to meet these requirements was set out in our Audit Plan of 26 January 2016.

## Appendix C – Auditor fees

The table below sets out the scale fee and our final proposed audit fees.

Description	Proposed final Fee 2015/16 £	Scale Fee 2015/16 £	Variation comments
<b>Total Audit Fee - Code work</b>	51,979	51,979	-
<b>Certification of claims and returns</b>	15,077	15,077	-

Our actual fee in in line with the scale fee set by the PSAA at this point in time, subject to satisfactory clearance of the outstanding work.

We confirm we have undertaken non-audit work outside of the PSAA's requirements, this is the work on the Council's 2014/15 housing pooling of capital receipts return. The fee for this work was £2,500 plus VAT as planned.

## Appendix D – Draft audit report

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMBRIDGE CITY COUNCIL**

#### **Opinion on the Authority's financial statements**

We have audited the financial statements of Cambridge City Council for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement,
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement,
- Notes to the main financial statements 1 to 44
- Housing Revenue Account Income and Expenditure Account, Statement of Movement on the Housing Revenue Account Balance, and related notes 1 to 10,
- Collection Fund and related notes 1 to 7, and
- Statement of Accounting Policies

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of Cambridge City Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the Chief Financial Officer and auditor**

As explained more fully in the Statement of the Chief Financial Officer Responsibilities set out on page xv, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately



disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement of Accounts 2015/16 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the financial position of Cambridge City Council as at 31 March 2016 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

### **Opinion on other matters**

In our opinion, the information given in the Statement of Accounts 2015/16 for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we report by exception**

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

## **Conclusion on Cambridge City Council's arrangements for securing economy, efficiency and effectiveness in the use of resources**

### **Authority's responsibilities**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### **Auditor's responsibilities**

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

### **Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2015, as to whether the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

### **Conclusion**

On the basis of our work, having regard to the guidance issued by the C&AG in November 2015, we are satisfied that, in all significant respects, Cambridge City Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

## **Certificate**

We certify that we have completed the audit of the accounts of Cambridge City Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

*Neil Harris*  
*for and on behalf of Ernst & Young LLP, Appointed Auditor*  
*Luton*  
*Date*

## Appendix E – Management representation letter

xx September 2016

Mr N Harris  
Executive Director  
Ernst & Young  
400 Capability Green  
Luton  
LU1 3LU

This letter of representations is provided in connection with your audit of the financial statements of Cambridge City Council ("the Council") for the year ended 31 March 2016. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Council financial position of Cambridge City Council as of 31 March 2016 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### **A. Financial Statements and Financial Records**

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with [the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
2. We acknowledge, as members of management of the Council, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Council in accordance with [the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Council, we believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with [the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 that are free from material misstatement, whether due to fraud or error.
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

### **B. Fraud**

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We 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, we 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. We 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.

### **C. Compliance with Laws and Regulations**

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

#### **D. Information Provided and Completeness of Information and Transactions**

1. We have provided you with:
  - 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;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Council and Executive (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date:

Council 14 July 2016

Executive 21 January 2016
4. We 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.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We 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 all outstanding debt.

#### **E. Liabilities and Contingencies**

1. 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.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 34 to the financial statements all guarantees that we have given to third parties.

## **F. Subsequent Events**

1. Other than as described in Note 44 to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

Yours sincerely,

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Head of Finance

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Chair of the Civic Affairs Committee

## Appendix F – Required communications with the Civic Affairs Committee

There are certain communications that we must provide to the Civic Affairs Committee of UK clients. These are detailed here:

Required communication	Reference
<b>Planning and audit approach</b> Communication of the planned scope and timing of the audit, including any limitations.	Audit Plan
<b>Significant findings from the audit</b> <ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit Results Report
<b>Going concern</b> Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	Audit Results Report
<b>Misstatements</b> <ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ In writing, corrected misstatements that are significant</li> </ul>	Audit Results Report
<b>Fraud</b> <ul style="list-style-type: none"> <li>▶ Enquiries of the Civic Affairs Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ A discussion of any other matters related to fraud</li> </ul>	We have made enquiries of management. We have not become aware of any fraud or illegal acts during our audit.
<b>Related parties</b> Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	We have no matters we wish to report.



Required communication	Reference
<b>External confirmations</b> <ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	We have received all requested confirmations.
<b>Consideration of laws and regulations</b> <ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the Civic Affairs Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Civic Affairs Committee may be aware of</li> </ul>	We have not identified any material instances of non-compliance with laws and regulations.
<b>Independence</b> Communication of all significant facts and matters that bear on EY's objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul>	Audit Plan and Audit Results Report
<b>Significant deficiencies in internal controls identified during the audit</b>	Audit Results Report
<b>Fee Information</b> <ul style="list-style-type: none"> <li>▶ Breakdown of fee information at the agreement of the initial audit plan</li> <li>▶ Breakdown of fee information at the completion of the audit</li> </ul>	Audit Plan Audit Results Report Annual Audit Letter if considered necessary
<b>Certification work</b> <ul style="list-style-type: none"> <li>▶ Summary of certification work undertaken</li> </ul>	Certification Report

**EY** | Assurance | Tax | Transactions | Advisory

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## CAMBRIDGE CITY COUNCIL

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REPORT OF: Director of Business Transformation

TO: Civic Affairs Committee

14 September 2016

WARDS: All

### **INTERNAL AUDIT PLAN 2016 / 2017: PROGRESS REPORT**

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#### **1 INTRODUCTION**

- 1.1 The purpose of this report is to provide members with an update on progress in delivering the annual Internal Audit Plan for 2016 / 2017. The original audit plan was agreed by Civic Affairs Committee on 17 February 2016.

#### **2. RECOMMENDATIONS**

- 2.1 Civic Affairs Committee is requested to note:

- Progress against the original audit plan together with the associated assurance levels established; and
- Any proposed amendments / re-phasing of the audit plan.

#### **3 INTERNAL AUDIT PLAN 2016 / 2017 PROGRESS (Appendix A)**

##### **Work In Progress**

- 3.1 The details within the Appendix are based on audit activities up to and including 31 August 2016.
- 3.2 Staffing levels remained constant within the team which has allowed for progress against a number of audit areas e.g. core systems, assurance, strategic objectives and carry forward works. A number of audits are in the process of being followed up due to previous weaknesses identified.
- 3.3 It is too early in the year to establish whether there will be a need for re-phasing of works and as a result no audits have been identified for deletion. Nevertheless, the area of highest risk within our audit plan relates to the implementation of the financial management system. Internal Audit are involved in a series of workshops for each authority to assist in its configuration and implementation and it would be prudent to ensure that this is fully resourced. Additional resources will be allocated to this project as appropriate.

- 3.4 Progress on implementation of agreed actions continues to be monitored and ongoing discussions are held with managers to ensure continued compliance.
- 3.5 Once the audit cycle is concluded, the overall results of the work set out in the Internal Audit plan will be reported in the production of the annual opinion by the Head of Internal Audit for this Committee.

#### **4 IMPLICATIONS**

(a) **Financial Implications**

None

(b) **Staffing Implications**

None.

(c) **Legal Implications**

The Council has a legal obligation to maintain an adequate and effective system of internal audit, and the council has delegated this responsibility to the Civic Affairs Committee and s.151 Officer. This report comments on Internal Audit performance relating to period ended 31 August 2016. There are no adverse legal implications relating to the reporting progress.

(d) **Risk Implications**

In terms of risk management, the Internal Audit Plan and its outcomes are a key part of the Council's risk management and assurance framework. The Internal Audit Plan is based on risk assessments that include a review of the Council's risk register.

(e) **Equality and Poverty Implications**

None

(f) **Environmental Implications**

None

(g) **Community Safety**

None

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

Internal Audit Plan 2016 / 2017

Public Sector Internal Audit Standards, 2013

To inspect these documents contact Steve Crabtree on extension 8181. The author and contact officer for queries on this report is Steve Crabtree.

Report file:

Date originated: 02 September 2016

Date of last revision: 02 September 2016

**APPENDIX A**

**HEAD OF INTERNAL AUDIT**

**INTERNAL AUDIT PLAN 2016 / 2017: PROGRESS REPORT**

## 1. INTRODUCTION

- 1.1 The purpose of this report is to bring the Civic Affairs Committee up to date with progress made against the delivery of the 2016 / 2017 Internal Audit Plan, as at August 2016.
- 1.2 The information included in the progress report will feed into and inform our overall opinion in the annual Head of Internal Audit (HoIA) report issued at the year-end. This opinion will in turn be used to inform the Annual Governance Statement included in the Statement of Accounts and signed by the Chief Executive and Leader of the Council.
- 1.3 Where appropriate each report we issue during the year is given an overall opinion based on four levels of assurance:
- **FULL;**
  - **SIGNIFICANT;**
  - **LIMITED** and
  - **NO.**
- 1.4 To obtain the level of assurance, this is partly based on the number of type of recommendations we make in each report and is for any control weakness that jeopardises the complete operation of the service. The prioritisation of these being:
- **CRITICAL;**
  - **HIGH;**
  - **MEDIUM** and
  - **LOW.**
- 1.5 It is managers' responsibility to ensure that effective controls operate within their service areas. However, we undertake follow up work to provide independent assurance that agreed actions arising from audit reviews are implemented in a timely manner.

## 2. AUDIT TEAM / RESOURCES / OUTPUTS

- 2.1 Since our last report to Civic Affairs Committee (June 2016); the following issues are brought to Members attention:
- The Annual Audit Opinion report identified three audits as being in draft at that time (Cambridge BID, Project Delivery Processes in Streets and Open Spaces and Tender Evaluation). All of these reports have now been finalised and issued. No changes have been made to the draft assurance ratings;
  - Where audit reviews have been completed, the time spent on each job are included (as requested at the previous meeting);
  - Ongoing dialogue across the Council continues to see improved monitoring and implementation of agreed actions; and
  - There have been no changes to audit personnel during the year to date.

- 2.2 It is too early in the audit year to provide an opinion on the internal controls operating across the Council that have been subject to audit and with the works undertaken in their infancy there are no significant issues to be brought to the Committees' attention.

### **3. RE-PHASING OF AUDIT PLAN**

- 3.1 Previous years have seen requests to re-phase the audit plan or delete audits and replace with new risk areas. At this present moment, there are no proposals to amend the agreed Audit Plan, subject to works being available in relation to Investment Projects. Furthermore, if this does not occur, resources may be allocated against the implementation of the Financial Management System. Internal Audit is already involved in a series of workshops for each authority to assist in its configuration and implementation and it would be prudent to ensure that this is fully resourced. Additional resources will be allocated to this project as appropriate.

### **4. IMPLEMENTATION OF ACTIONS**

- 4.1 Progress has been made in the implementation of audit actions across the whole Council. A number of actions are being verified with managers and a further update will be provided at the Committee.

**AUDIT PLAN COVERAGE: 2016 / 2017 PROGRESS****(INFORMATION AS AT AUGUST 2016)****CORE SYSTEM ASSURANCE WORK**

Core systems are those that are fundamental to providing control assurance for internal financial control and allow the s151 officer to make his statement included in the Annual Accounts on the reliability of the supporting financial systems.

Housing Benefits	<b>COMPLETED</b> Use of External Audit diagnostic templates to verify calculations in relation to the Housing Benefit grants. Diagnostic tools (Modules 2 and 5) have been completed / submitted to Ernst & Young for verification / agreement. <i>Audit Days (Estimate 12 / Actual 12)</i>
Budgetary Control	<b>PLANNING STAGE</b> <i>Audit Days (Estimate 12)</i>

The following Core System audits have not yet started / scheduled for later in the year:

- National Non-Domestic Rates
- Fixed Assets Accounting / Capital Programme



**ANNUAL GOVERNANCE AND ASSURANCE FRAMEWORK**

Each year the Council is obliged to issue a statement on the effectiveness of its governance arrangements. This section details audit work that specifically relates to the production of the Annual Governance Statement

Annual Audit Opinion	<p><b>COMPLETED</b></p> <p>The Annual Audit Opinion was submitted to Civic Affairs Committee in June 2016, highlighting all Internal Audit activity for the previous 12 months together with any areas of concern.</p> <p><i>Audit Days (Estimate 8 / Actual 5.5)</i></p>
Prevention of Fraud and Corruption	<p><b>COMPLETED</b></p> <p>The annual report on fraud and whistle-blowing was submitted to Civic Affairs Committee in June 2016.</p> <p>Furthermore, the Annual Fraud Survey was completed on behalf of the authority and submitted in June 2016.</p> <p><i>Audit Days (Estimate 8 / Actual 3.5)</i></p>
Annual Governance Statement	<p><b>COMPLETED</b></p> <p>Internal Audit coordinated the working group set up to review and update the Annual Governance Statement.</p> <p>This was submitted to Civic Affairs in June 2016 for comment, challenge and endorsement.</p> <p>The draft Annual Governance Statement has then been provided to External Audit and subsequent inclusion in the final accounts (elsewhere on September 2016 agenda).</p> <p><i>Audit Days (Estimate 8 / Actual 3.5)</i></p>
National Fraud Initiative	<p><b>WORK IN PROGRESS</b></p> <p>Finalisation of 2014 investigations and commencement of works for the 2016 data matching exercise with the Cabinet Office.</p> <p>Fair processing notices and datasets will be verified before submission in October 2016.</p> <p>Initial results will be expected in February 2017.</p> <p><i>Audit Days: (Estimate 30)</i></p>

The following Assurance audits have not yet started:

- Internal Audit Effectiveness

**OBJECTIVE 1...DELIVERING SUSTAINABLE PROSPERITY FOR CAMBRIDGE AND FAIR SHARES FOR ALL**

Community Infrastructure Levy

**WORK IN PROGRESS**

Ongoing development overseeing development of works to replace s.106 agreements.

*Audit Days (Estimate 8)***OBJECTIVE 2: TACKLING THE CITY'S HOUSING CRISIS AND DELIVERING OUR PLANNING OBJECTIVES**Planned Maintenance (s.20  
Works)**WORK IN PROGRESS**

This review also includes Grounds Maintenance Recharges (carried forward from 2015 / 2016)

*Audit Days (Estimate 10)*

The following audits covering Objective 2 have not yet started:

- Use of Council Assets
- Contract Management: Maintenance Programmes

OBJECTIVE 3: MAKING CAMBRIDGE SAFER AND MORE INCLUSIVE	
Environmental Health: Enforcement	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 12)</i>
Environmental Health: Licensing	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 12)</i>
Clay Farm Community Centre	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 10)</i>

The following audit covering Objective 3 has not yet started:

- Safer Communities

OBJECTIVE 5: PROTECTING OUR CITY'S UNIQUE QUALITY OF LIFE	
Ditchburn Place: Refurbishment Works	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 10)</i>

The following audit covering Objective 5 has not yet started:

- Cultural Trust

**OBJECTIVE 6: PROTECTING ESSENTIAL SERVICES AND TRANSFORMING COUNCIL DELIVERY**

Shared Services: Phase 1	<b>PLANNING STAGE</b> <i>Audit Days (Estimate 12)</i>
Financial Management System	<b>WORK IN PROGRESS</b> <p>Initial preparatory works as part of the evaluation of key controls during the systems design stage. Internal Audit are members of the Project Group and will be reviewing various aspects of the work. It is also involved in a series of workshops which covers all 3 Councils. The initial days allocated will be reviewed.</p> <i>Audit Days (Estimate 12)</i>
Investment Projects	<b>PLANNING STAGE</b> <p>Initial meetings undertaken concluded / agreed to defer works until Quarter 4. If there are no potential projects submitted / in place at this time then the audit will be rolled into 2017 / 2018.</p> <i>Audit Days (Estimate 10)</i>

The following audits meeting Objective 6 have not yet started:

- Programme Office
- Service Continuity
- Procurement and Commissioning
- Sickness Absence
- Flexible Working Arrangements
- Premises Security
- Telephony
- Information Governance
- Support Services
- Write Offs: Council Tax
- Management of Elections

CARRY FORWARD ACTIVITIES	
Project Delivery Processes (Streets and Open Spaces)	<p><b>COMPLETED</b></p> <p>This was reported on within the Annual Audit Opinion report submitted to Civic Affairs Committee in June 2016 as being in DRAFT STAGE with <b>NO</b> assurance</p> <p>No amendments were made and the report was issued in July 2016.</p> <p><i>Audit Days (Estimate 10 / Actual 35)</i></p>
Cambridge BID	<p><b>COMPLETED</b></p> <p>This was reported on within the Annual Audit Opinion report submitted to Civic Affairs Committee in June 2016 as being in DRAFT STAGE with <b>SIGNIFICANT</b> assurance.</p> <p>No amendments were made and the report was issued in July 2016.</p> <p><i>Audit Days (Estimate 8 / Actual 7)</i></p>
Tender Evaluation	<p><b>COMPLETED</b></p> <p>This was reported on within the Annual Audit Opinion report submitted to Civic Affairs Committee in June 2016 as being in DRAFT STAGE with <b>LIMITED</b> assurance.</p> <p>No amendments were made and the report was issued in July 2016.</p> <p><i>Audit Days (Estimate 12 / Actual 21)</i></p>
CCTv	<p><b>WORK IN PROGRESS</b></p> <p><i>Audit Days (Estimate 8)</i></p>
Payroll	<p><b>DRAFT REPORT STAGE</b></p> <p><i>Audit Days (Estimate 12)</i></p>
Car Park Management System	<p><b>WORK IN PROGRESS</b></p> <p><i>Audit Days (Estimate 12)</i></p>
Building Cleaning (PIR)	<p><b>WORK IN PROGRESS</b></p> <p><i>Audit Days (Estimate 5)</i></p>

Redevelopment of Park Street Car Park	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 8)</i>
Former Tenant Arrears	<b>DRAFT REPORT STAGE</b> <i>Audit Days (Estimate 8)</i>
ChYpPs Activities	<b>DRAFT REPORT STAGE</b> <i>Audit Days (Estimate 6)</i>
Hostels / Sheltered Accommodation	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 10)</i>
Contaminated Land	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 8)</i>
Procurement Cards	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 8)</i>
Commercial Property (Risk Assessments)	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 10)</i>
Discretionary Housing Payments	<b>DRAFT REPORT STAGE</b> <i>Audit Days (Estimate 10)</i>
Contract Management Arrangements	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 12)</i>

<b>FOLLOW UP PROVISION (ESTIMATE 30 DAYS)</b>						
Local Land Charges <i>Audit Days (Estimate 3 / Actual 6)</i>	Assurance <b>SIGNIFICANT</b>	Completed <b>6</b>	In Progress <b>1</b>	Outstanding <b>0</b>	Cancelled <b>0</b>	Additional Actions <b>0</b>
Management of Council owned Trees	<b>DRAFT REPORT STAGE</b> <i>Audit Days (Estimate 3)</i>					
Achievement of Income and Savings Targets	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 3)</i>					
Homelessness	<b>WORK IN PROGRESS</b> <i>Audit Days (Estimate 5)</i>					

The following follow up audits have not yet started:

- Housing Advice Grants to Voluntary Organisations
- Asbestos Management
- BACS

**UNPLANNED ACTIVITIES: PROJECT MANAGEMENT / GENERAL ADVICE / REQUESTED WORKS (ESTIMATE 30 DAYS)**

Various pieces of ad-hoc advice have been provided to management during the year across the organisation. Members of the Internal Audit team also participate in the following internal working groups:

- Information Security Group
- Capital Programme Board

Other areas undertaken in the period include:

- Data security workshops (for Revenues and Benefits);
- Procurement Data analysis;
- Greenhouse Gas figures (review)

**UNPLANNED ACTIVITY: FRAUD / IRREGULARITY / SPECIAL INVESTIGATIONS – E.G. ALLEGATIONS OF BREACHES OF OFFICER CODE OF CONDUCT / WHISTLEBLOWING (ESTIMATE 30 DAYS)**

Internal Audit is currently undertaking THREE separate special investigations within the Council. In addition, separate works have been commissioned into a number of shared service issues.

**RISK MANAGEMENT (ESTIMATE 30 DAYS)**

On-going work includes the review and monitoring of the Council's risks and implementation of actions agreed to mitigate these.



## CAMBRIDGE CITY COUNCIL

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REPORT OF: Returning Officer

TO: Civic Affairs Committee

14/9/2016

WARDS: All

### **REVIEW OF 5 MAY 2016 ELECTIONS AND 23 JUNE 2016 REFERENDUM**

---

#### **1 INTRODUCTION**

- 1.1 The purpose of this report is to update Members on the elections held on 5<sup>th</sup> May 2016 and the referendum held on 23<sup>rd</sup> June 2016.

#### **2. RECOMMENDATIONS**

- 2.1 That the Committee notes this report and provides feedback to the Returning Officer on issues it would like to be considered in the management of future polls.

#### **3. GENERAL BACKGROUND**

- 3.1 On 5 May 2016, elections were held for Cambridge City Council and for Cambridgeshire Police and Crime Commissioner.
- 3.2 The management of the city council elections are the responsibility of the Returning Officer. The Chief Executive is appointed in a personal capacity to this role and accountable for their delivery.
- 3.3 The management of the Police and Crime Commissioner election falls within the remit of the Police Area Returning Officer, the Chief Executive of East Cambridgeshire District Council. Each of the six local authorities in the county remained responsible for the poll in their area, with delivery of the poll accountable to the Local Returning Officer, again the Chief Executive.
- 3.4 On 23 June 2016, a UK-wide referendum was held to decide whether the UK remain within or leave the European Union.

- 3.5 The management of the referendum was the responsibility of the Chief Counting Officer, who is the Chair of the Electoral Commission. Responsibility for the delivery of the referendum was then cascaded via the Regional Counting Officer (Chelmsford City Council's Chief Executive) to the Counting Officer in each local authority area.
- 3.6 All following references to the Returning Officer are to be taken as a reference to the Local Returning Officer and/or the Counting Officer.
- 3.7 At all polls, the Returning Officer appoints deputies with full powers to ensure that all legal aspects of the polls are covered and to allow them to act in the event the Returning Officer becomes unavailable. The Head of Legal Services, the Democratic Services Manager and the Electoral Services Manager were appointed as deputies for all three polls.
- 3.8 Each year the relevant elections are managed as discrete projects. The Election Steering Group is chaired by the Returning Officer and attended by all deputies and the Head of Corporate Strategy. The Election Steering Group's remit is to review progress against the project plan and advise the Returning Officer on matters arising.
- 3.9 A Project Team is chaired by the Electoral Services Manager and includes all staff within Electoral Services, as well as a range of officers from across the authority who have specific roles within their service area, for example; Customer Services, Northgate /ICT and the Facilities team.

#### **4. ELECTIONS – 5 MAY 2016**

##### **Candidates and Agents**

- 4.1 Local political parties and other interested parties were invited to pre-election briefings on 24 February and 22 March. Particular emphasis was placed on the procedure for submitting nomination papers, access to the election process and the Electoral Commission's code of conduct for campaigners.

##### **Promotional Activity**

- 4.2 A number of initiatives took place to promote the polls and raise awareness of the deadlines for registration and absent voting.
- 4.3 Awareness was generated by an ad-bike and ad-van touring the city in the final week before the registration deadline. Banners were also placed on front of the Guildhall. This was in addition to the usual council publications, website & social media channels. Further

information was circulated via University publications and direct e-mails to students.

- 4.4 A national voter registration drive took place between 1 & 5 February, primarily targeting the 18-24 age-group. The Electoral Services Support Officer worked with Cambridge University, Anglia Ruskin University, Cambridge Regional College, Hills Road Sixth Form College and Long Road Sixth Form College to engage and educate students. Some of this work was completed with the assistance of the electoral office at South Cambridgeshire District Council.

### **Correspondence**

- 4.5 Contact from residents was relatively high leading into the May elections. The chart below compares contact levels for the five weeks leading up to, and including, polling day against previous polls.

<b>Contact Method</b>	<b>5 May 2016 <i>City &amp; PCC</i></b>	<b>7 May 2015 <i>City &amp; Parliamentary</i></b>	<b>22 May 2014 <i>City &amp; European</i></b>
E-mails	1,583	2,482	654
Telephone calls into CSC	955	3,592	1,216

### **Training**

- 4.6 Every person working at a polling station was required to receive training – if they did not attend the training, they were not employed. Training was developed locally based on previous programmes and local experience as learning points. Four face-to-face training sessions were delivered and on-line training was made available to those staff who had attended face-to-face training within the previous 12 months.

### **Postal Voting**

- 4.7 Postal vote packs were issued in-house. A total of 11,721 postal vote packs were issued, a decrease of almost 9% on 2015. The total number re-issued due to being reported as lost or not-received was 19, in contrast to 102 in 2015.
- 4.8 The vast majority of postal votes are issued as soon as possible after the deadline for applications, which was 19 April. The first postal

votes were issued on 20 April, with those postal votes made close to the deadline issued on 21 April.

- 4.9 Current legislation requires that electors added to the register at the final deadline and who have also made an application for a postal vote, must wait until they are included on the register before the postal vote can be issued. Therefore these elector's postal packs were issued on 27 April, the date of the final update to the register before 5 May.
- 4.10 Five postal vote opening sessions were conducted with 72.8% of postal votes returned for inclusion in the count (87.5% in 2015). Signature and date of birth checking was carried out on 100% of returned postal votes and 1.4% were rejected because either the date of birth and/or signature was absent. A further 1.0% were rejected due to either an invalid signature and/or date of birth (0.9% in 2015); so those whose personal identifiers on the postal vote statement did not match with the original postal vote application. A total of 2.4% of postal votes were rejected.

### **Polling Stations**

- 4.11 Overall there were 48 polling stations, staffed by 48 Presiding Officers and 122 poll clerks. The polling stations used were the same as in 2015 with two exceptions; in Castle (CB) the Castle Street Methodist Church was secured due to the sale of the previous site and in Romsey (LC) the C3 Centre was finally utilised in place of the temporary portacabin.
- 4.12 Six polling station assistants were employed to support stations with identified issues. This was especially important at the Salvation Army Hall in Tenison Road (Petersfield JB), which experienced some difficulties due to a long-term road closure.
- 4.13 There were minor queues at some polling stations during the day. Stations with significant student numbers had particular challenges as students did not always know under which address they were registered and queues built up while staff tried to assist individuals with this. There were no queues at 10pm when stations closed.
- 4.14 Four polling station Inspectors were responsible for overseeing station progress and visited each station at least twice during the course of the day. This was in addition to the Returning Officer visiting all polling stations.

## **The Count**

- 4.15 Due to the combination of City and PCC elections, arrangements for the count had to be managed in conjunction with the Police Area Returning Officer, who had directed that the count of ballot papers for the PCC election must be counted from noon on Friday 6 May. Therefore, after the close of poll both polls were verified, but only the ballot papers for the city elections were counted through the night.
- 4.16 Staffing for both Thursday night and Friday afternoon was six counters per ward, with both the large and small halls in use. The limitations of our accommodation means this is the maximum of counting staff we can accommodate, which in turn affects the speed of the count. This year, assistant supervisors were recruited to support count supervisors and the final ward result was declared at 3.26 am on Friday morning. This is earlier than previous years, although not unexpected due to the relatively low turnout of 40.1%.
- 4.17 The count of ballot papers for the PCC election commenced at noon on Friday 6 May, with the final totals for Cambridge submitted to the Police Authority Returning Officer just after 2:30 pm.
- 4.18 As in 2015, the reserve count venue was once again the University Sports Centre on the West Cambridge site. This is in line with our disaster recovery plan.

## **Complaints**

- 4.19 Only one complaint has been recorded within regard to the May polls. This was in relation to an overseas elector whose entry on the register had not been renewed. Upon investigation it was concluded that this was due to human-error and the entry reinstated. However, this did not affect the poll as overseas electors do not have the right to vote in local elections.

## **5. REFERENDUM – 23 JUNE 2016**

- 5.1 On 23 June 2016, a UK-wide referendum was held to decide whether the UK should remain within or leave the European Union.
- 5.2 Management arrangements for this poll were as outlined in 3.5 above.
- 5.3 The Chief Counting Officer issued ten directions, including:
- The date on which poll cards and postal votes were to be issued;
  - The ratio of polling station staff to electors; and
  - The timing of the count.

- 5.4 The following information is provided where it differs to the experience of the May 2016 polls reported above.

### **Referendum Agents**

- 5.5 At a national referendum, campaign groups and their agents register with the Electoral Commission and a Local Agent is appointed to work in each authority area. Local information was provided to agents, however a briefing was not arranged as this was handled by the Electoral Commission.

### **Promotional Activity**

- 5.6 Activity for the referendum mirrored that of the May polls with the exception that the ad-van and ad-bike were not utilised. The large amount of national media coverage in the lead up to the poll was the main factor in raising awareness.

### **Correspondence**

- 5.7 Customer contact in the lead-up to 23 June was unusually high. The table below illustrates the differences between the May and June polls as total customer contact received in the five weeks prior to polling day:

<b>Contact Method</b>	<b>23 June 2016 <i>Referendum</i></b>	<b>5 May 2016 <i>City &amp; PCC</i></b>
E-mails	3,789	1,583
Telephone calls into CSC	3,362	955

### **Training**

- 5.8 Despite the short period between the May and June polls, polling staff were again required to undertake training. This was to ensure consistency between stations, to highlight the difference between a referendum and an election and ensure any minor issues from May were highlighted. Four training sessions were delivered as well as the on-line training module.

### **Postal Voting**

- 5.9 A total of 14,850 postal vote packs were issued, again in-house. The total number re-issued due to being reported as lost or not received was 63, a predictable increase due to the high profile of the poll.

- 5.10 As per the Chief Counting Officer's directions, postal vote packs to overseas electors were issued on 23 May and postal packs to UK addresses were issued on 27 May. The early issue of postal vote packs was only possible due to the ballot paper contents being known so far in advance. At an ordinary election, candidate details are not known until much closer to polling day and therefore ballot papers cannot normally be printed and issued so early.
- 5.11 The number of postal vote opening sessions was increased to eight in order to cope with the expected higher-than-usual turnout, which was 89.7%. Postal votes rejected due to a date of birth and/or a signature not being provided was 0.9% and a further 0.7% were rejected because the identifiers provided did not match the original application; so 1.6% were rejected in total.

### **Voter Registration**

- 5.12 During the lead into the referendum, voter registration in Cambridge increased significantly. In May, the three election specific updates to the register totalled 3,738 new electors. In June the same three register updates added 6,564 new electors to the register.
- 5.13 The 'register to vote' website crashed at 10:15 pm on the registration deadline day and the government decision to extend the deadline by 48 hours caused a great deal of extra work for the electoral team. This further affected the timing of when polling station registers could be printed, the subsequent issue of ballot boxes to presiding officers and altered when postal votes could be sent to new electors; who were then not included in the register until 20 June. The knock-on effect of this single decision was significant and caused additional pressure on an already stretched team.

### **Polling Stations**

- 5.14 Due to the polling station to elector ratio designated by the Chief Counting Officer, two further stations were added making a total of 50 polling stations across the city on 23 June. These were manned by 50 Presiding Officers, 126 poll clerks and six polling station assistants. Again, four Inspecting Officers each oversaw a designated area.
- 5.15 One polling station location changed from May. Arbury Court Library was used as an alternative in Arbury (GA) due to Arbury Community Centre being unavailable on the date required. It is expected that polling will return to the community centre in May 2017.

- 5.16 Queues were again a factor of the day itself but as in May, there were no queues at the close of poll.

### **The Count**

- 5.17 The timing of the count was directed by the Chief Counting Officer. As in May, the Large and Small halls at the Guildhall were utilised with a total of 84 count assistants, eight count supervisors and six assistant supervisors.
- 5.18 An online results system was in place to transmit local totals and receive authority to proceed from the regional hub at Chelmsford. We were also required to duplicate the information in an e-mail as a back-up reporting system.
- 5.19 A power outage at 9pm in the Guildhall resulted in complete loss of telephony and PC access, which was not restored until just after 11 pm. This resulted in a delay in communicating with the regional hub at Chelmsford as the contingency to use a 3G enabled smartphone was slower than expected. Further delays were experienced while waiting for Chelmsford to approve each reporting stage.
- 5.20 Turnout in Cambridge for the referendum was 72.3%, in line with the national turnout of 72.2% and a regional turnout of 75.7%. The Cambridge totals were signed off by the Regional Returning Officer at 4.03 am.

### **Complaints**

- 5.21 No complaints have been recorded for the 23 June poll.

## **6. CONSULTATIONS**

Local party agents and referendum agents have been asked for their feedback on the relevant poll. All councillors have been sent a copy of this report and any feedback will be reported.

## **7. CONCLUSIONS**

- 7.1 The May elections and the June referendum were generally well-run, but not without their challenges and some minor areas for improvement.
- 7.2 It is evident that the Guildhall is no longer suitable for staging the count. The floor space is inadequate with a limit on the number of staff and observers permitted, as well as the complete lack of observation for media in the small hall. Work will begin in September



on evaluating a change in location for May 2017 to the University Sports Centre.

- 7.3 Elections and electoral registration are increasingly complex and the finely balanced statutory timetable means that unexpected issues often have a knock-on effect on other electoral events.
- 7.4 Changes to legislation at the last minute created a huge risk to the delivery of the poll and feedback on the handling of the 48 hour registration deadline extension will be strongly represented to the Cabinet Office.
- 7.5 The relative success of both the May and June polls are due in no small part to the hard work of the electoral services team and their commitment to the role. Retention, training and motivation of staff are fundamental in ensuring the service continues to build on the stability it has enjoyed over the past two years.
- 7.6 In my view, the national system is becoming increasingly fragile and major reform is needed to reduce risks to the electoral process.

## 8. **IMPLICATIONS**

- (a) **Financial Implications** - There are no financial implications resulting from this report. The PCC and referendum are funded by central government, while the city council elections are covered from within existing budgets.
- (b) **Staffing Implications** – The fixed-term post (to October 2016) of Electoral Services Support Officer will be evaluated in light of the current and expected workload of the electoral services team.
- (c) **Equality and Poverty Implications** - An equality impact assessment is in place for electoral events and is reviewed annually in light of changes to polling station premises.
- (d) **Environmental Implications** – Nil.
- (e) **Procurement** – none required.
- (f) **Consultation and communication** – Feedback from key stakeholders has been sought and will be reported verbally to the Committee. Upon publication, the report will be highlighted to stakeholders.
- (g) **Community Safety** – not applicable.

**BACKGROUND PAPERS:** Elections equality impact assessment.

To inspect these documents contact Vicky Breading on extension 7057.

The author and contact officer for queries on the report is Vicky Breading on extension 7057, [vicky.breading@cambridge.gov.uk](mailto:vicky.breading@cambridge.gov.uk).

Report file:

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## CAMBRIDGE CITY COUNCIL

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REPORT OF: Chief Executive

TO: Civic Affairs Committee

14/09/2016

WARDS: All

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### **INTERIM REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS**

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#### **1 INTRODUCTION**

- 1.1 The Local Government Boundary Commission for England (LGBCE) has conducted a review of Cambridgeshire County Council electoral division boundaries across Cambridgeshire. Final recommendations will be published on 6 September 2016 (after publication of this report).
- 1.2 The movement of the county division boundaries will mean that an interim review of the polling district boundaries must be carried out to effect any changes to the register of electors. This review is outside of the normal cycle for reviewing polling arrangements.

#### **2. RECOMMENDATIONS**

- 2.1 That the interim review be conducted only for the necessary purpose of ensuring the proper administrative conduct of the 2017 county council elections.
- 2.2 That, due to the short timescales, any other amendments to polling district boundaries are not taken forward at this time, but be included in the next scheduled compulsory review in 2018.

#### **3. BACKGROUND**

- 3.1 It is expected that changes made by the LGBCE to the Cambridgeshire county division boundaries in the Cambridge city council area will mean that they are no longer coterminous with the city ward boundaries.

- 3.2 A review of the polling district boundaries must therefore be carried out to ensure that the register of electors and subsequent elections can be administered effectively.
- 3.3 This review of polling districts is outside of the timetable for the scheduled compulsory review of parliamentary polling districts, polling places and polling stations. The last compulsory review was concluded in 2013 and will therefore need to be started within the statutory five-year period, so by 2018.
- 3.4 The steps to be taken when conducting a review of polling districts are laid down within schedule 1A of the Representation of the People Act 1983.
- 3.5 The timetable for the interim review will be as follows:

LGBCE publish final recommendations	6 September 2016
Preliminary report to Civic Affairs	14 September 2016
Publish notice of the review	31 October 2016
Consultation responses to be made by	12 December 2016
Roundtable of interested parties (if appropriate)	TBC January 2017
Final recommendations to Civic Affairs	15 February 2017
Updated Register of Electors published	1 March 2017

- 3.6 Further information and maps regarding the current and proposed boundaries will be circulated as soon as they become available on 6 September.
- 3.7 Details of the proposed changes to polling districts will be made available at the start of the consultation, so by 31 October.
- 3.8 If there has been significant response to the consultation, a roundtable discussion can be arranged to allow members and those who have responded to the review to discuss and understand any suggested changes. This would enable the final proposal to Committee to have a clear direction.
- 3.9 Changes to the polling district boundaries will be reflected in a revised version of the register of electors to be published on 1 March 2017. This will allow for the changes to be in place for the scheduled Cambridgeshire county council elections on 4 May 2017.
- 3.10 There are currently 35 polling districts within the Cambridge city area. It is expected that the movement of county division boundaries will necessitate the creation of new polling districts, so as to fall in line with existing city ward and county division boundaries.

- 3.11 It is possible that the move from completely coterminous boundaries between the City wards and County divisions, will result in some electors being assigned to new polling stations.
- 3.12 This review will not take account of any proposed changes to Parliamentary constituency boundaries, as they will be reflected in the scheduled review in 2018.

#### **4. CONSULTATIONS**

- 4.1 Once public notice of the review has been published, consultation will be sought from the following:
- All elected representatives.
  - Electors.
  - Acting Returning Officer for South Cambridgeshire DC (for Queen Edith's ward only).
  - Interested persons and bodies with expertise in relation to access to premises or facilities for disabled people.

#### **5. CONCLUSIONS**

- 5.1 This report begins the formal process of reviewing the polling districts within Cambridge City Council.
- 5.2 Due to the late publication of the recommendations from the Local Government Boundary Commission for England, and the timing for submission of reports to this Committee, no detail can yet be provided on how the changes might look.

#### **6. IMPLICATIONS**

##### **(a) Financial Implications**

There are no financial implications if changes to the polling district boundaries are for administrative purposes only.

Changes to the location of polling stations could result in an increase or decrease in rental charges, due to the differing rates charged by organisations.

An increase in the number of polling places/stations would mean an increase in the number of polling station staff and consequently increase staff payments at an election.

(b) **Staffing Implications**

There are no staffing implications.

(c) **Equality and Poverty Implications**

An equality impact assessment for elections covers this report.

(d) **Environmental Implications**

This report has a NIL climate change impact.

(e) **Procurement**

No procurement is required for this project.

(f) **Consultation and communication**

As indicated above (paragraph 4) public notice of the review will be given and all relevant stakeholders will be informed of the consultation period. Notice of this review will be communicated via a news release, the council website and twitter account.

(g) **Community Safety**

There are no community safety implications.

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

- Maps of current polling district boundaries.
- LGBCE Final Recommendations for Cambridgeshire County council (from 6 September)
- Electoral Commission guidance on conducting a review of polling districts, polling places and polling stations. (Published August 2013)
- Equality Impact Assessment for elections

To inspect these documents contact Vicky Breeding on extension 7057.

The author and contact officer for queries on the report is Vicky Breeding, Electoral Services Manager on ext. 7057  
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## CAMBRIDGE CITY COUNCIL

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REPORT OF: Business and Transformation

TO: Civic Affairs Committee

14/9/2016

WARDS: None directly affected

### **ANNUAL COMPLAINTS AND FEEDBACK REPORT 2015-16**

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#### **1 INTRODUCTION**

- 1.1 This report provides an analysis of the complaints and compliments received by the Council during 2015/16 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 2015-16, shown at Appendix A, and approve for publication on the Council's website.

### **3. BACKGROUND**

- 3.1 The City Council has been recording information about complaints for the last twelve years and trend data is included in the report from 2010. In 2015-16 we received 559 complaints compared with 484 in the previous year.
- 3.2 The report in Appendix A includes:
- A summary of complaints received, their trends and action taken,
  - Details of compliments and comments,
  - Complaints investigated by the Independent Complaints Investigator,
  - Complaints escalated to the Local Government Ombudsman,
  - Complaints relating to conduct of councillors.
- 3.3 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.
- 3.4 Subject to approval by Civic Affairs on the 14<sup>th</sup> September, officers will finalise and publish the report on the Council's website with hard copies being made available on request.

### **4. CONSULTATIONS**

#### **4.1**

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. CONCLUSIONS**

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.



## 6. 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) Equality and Poverty 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. An updated EQIA assessment was completed in August 2016.

### (d) Environmental Implications

None

### (e) Procurement

None

### (f) Consultation and communication

None

### (g) Community Safety

None

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

Departmental Quarterly Monitoring Reports 2015-16

For enquiries or to inspect these documents contact the author Kim Murray Business and Development Manager, Customer Services on extension 8672.

Report file:

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Date of last revision: 02 September 2016

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# **Cambridge City Council**

## **Annual Complaints and Feedback Report 2015-16**

## Annual Complaints and Feedback Report 2015-16

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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.

## Directorates and Services 2015-16

### Directorates and Services

Chief Executive	<a href="#">Corporate Strategy</a>
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Environment	<a href="#">Environmental Health</a>
	<a href="#">Refuse</a>
	<a href="#">Specialist Services</a>
	<a href="#">Streets and Open Spaces</a>
	<a href="#">Parking Services</a>
	<a href="#">Planning</a>
	<a href="#">Garage</a>

Customer and Community	<a href="#">Estates and facilities</a>
	<a href="#">City Homes</a>
	<a href="#">Strategic Housing</a>
	<a href="#">Revenues and Benefits</a>
	<a href="#">Community Services</a>

Business Transformation	<a href="#">Customer Services</a>
	<a href="#">Property Services</a>
	<a href="#">Finance</a>
	<a href="#">Legal Services</a>
	<a href="#">Human Resources</a>

[Independent Complaints Investigator](#)

[The Local Government Ombudsman](#)

[Complaints under the Councillors' Code of Conduct](#)

# Executive Summary

## General Summary

In 2015/16 Cambridge City Council received 559 complaints, compared with 484 in the previous year. The Council also received 147 compliments and 10,981 comments via GovMetric, a customer satisfaction rating system. To put the number of complaints in broader context, last year over 255,000 telephone and email contacts were received and over 42,000 face to face visits were recorded at the Customer Service Centre. Overall 36% of complaints were for 2 services, Refuse and Estates and Facilities. Both of these services underwent significant operational changes which contributed to an increase in feedback.

## Independent Complaints Investigator (ICI)

From 1 April 2015 until 31 March 2016, twenty-six complaints were submitted to the Independent Complaints Investigator. From the period April 2014 until March 2015, three investigations were carried over. Of these twenty-nine complaints, during 2015 to 2016, fifteen submissions were not investigated, nine submissions were investigated and reported, and five investigations were on-going and awaiting report at the end of the year. Of these nine reports, four complaints were not up-held, three complaints were partially up-held, and two complaints were up-held.

## Local Government Ombudsman (LGO)

Sixteen LGO complaints were investigated, with two upheld.

## Reporting and Recording

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 reviews all data and feedback on a quarterly basis to establish themes and trends within services. This is discussed with Directors and Heads of service to gain an understanding of what the service is doing to improve, change or prevent a reoccurrence. This helps to create a rolling annual report, ensuring accuracy and that changes and improvements made are captured and reviewed on a regular basis. Particular attention is 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.

Cambridge City Council has a three stage complaints process:

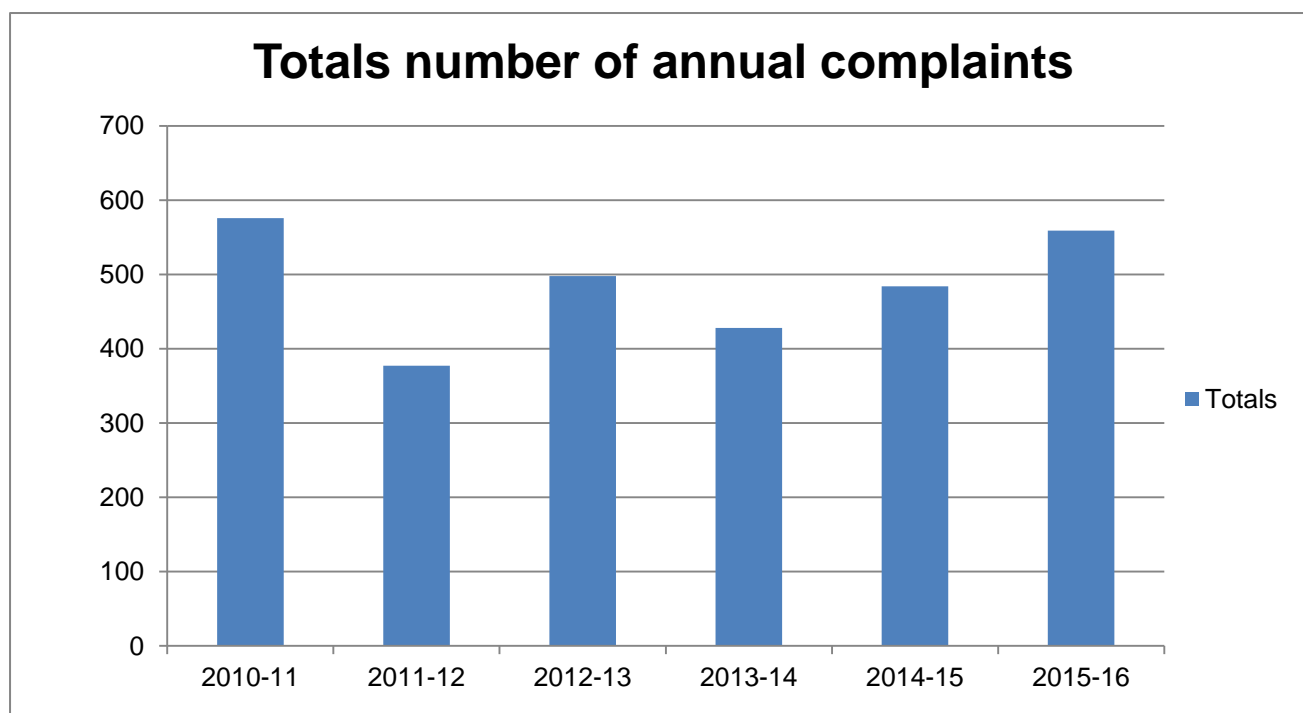
- **Stage One:** A complaint that has been made for the first time.
- **Stage Two:** Internal review of a complaint where the complainant is unsatisfied with the response to their complaint or the way in which the complaint has been handled, and they wish for their complaint to be considered further.
- **Stage Three:** Review by an Independent Complaints Investigator, where the complainant remains unsatisfied with the internal process and wish to take their complaint further.

The **Local Government Ombudsman (LGO)** is the final stage - the person affected must have gone through our complaints process before going to the LGO for an independent review.

## Complaints to the City Council in 2015-16

We received 559 complaints in 2015-16. This was an increase of 15.49% on the number received in the previous year as can be seen in table below.

Cambridge City Council complaint totals 2010 – 2015-16



Year	Chief Exec's	Environment	Business and Transformation	Customer & Community	Totals	Change %
2015-16	3	264	40	252	559	+15.49%
2014-15*	1	240	20	223	484	+11.5

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

\*In early 2014 we saw a change in services and directorates. The tables above have been separated to show this clearly.



## Headline Analysis

In 2015-16 36% of complaints were for 2 services, Refuse and Estates and Facilities.

Of the 264 Environment related complaints, 104 were for refuse. There are approximately 49,000 households visited each week, which puts the volume of complaints into context with the volume of service delivery undertaken throughout each week of the year. In addition to this, the Refuse Service underwent a significant change during Quarter 3 – transitioning into a shared services delivery with South Cambridgeshire District Council. This involved the relocation of the team and its operations to a new depot in Waterbeach and alterations to the routes the crews take in view of the new geographical location of the teams.

The Customer & Community Directorate received 252 complaints, of which 98 were for Estates and Facilities. The department has undergone a restructure in 2015-16, affecting most staff. In particular, staff who have previously been closely involved in pre-surveying repairs, ordering works (both planned and responsive) and with complaint management. During the implementation of the new staffing arrangements, which involved both appointments and redundancies, the volume of complaints increased, specifically those relating to delays in communication relating to repairs, and scheduled repairs taking place at agreed times. This trend has been acknowledged by the Head of Service, and measures have been taken to address potential complaint risks, including an emphasis on the importance of handling and responding to complaints in a timely and efficient manner.

To put the number of complaints in broader context, last year over 255,000 telephone and email contacts were received and over 42,000 face to face and cashiers visits were recorded at the Customer Service Centre. The number of complaints is relatively low in relation to the volume of customer contacts received by Council services; however, the Council recognises that it is important to respond to all complaints in a timely and appropriate manner, and to take any steps necessary to prevent repeat occurrences in future or the need for escalated resolution.

In 2015-16 the Council received 147 compliments, in addition, 7104 positive comments through GovMetric, our customer satisfaction rating system. This channel of communication continues to be popular with our customers with 10981 comments overall.

Since 2008 the volume of complaints has fluctuated. A review of our reporting and recording procedure in 2014-15 enabled us to improve upon recording data more accurately. In addition Directors and Heads of Service have continued to endorse the importance of engaging staff in the importance of encouraging feedback, which helps us to identify areas of development. Further work has been undertaken in 2015-16 to enhance the way in which we manage the recording and handling of our complaints, this has resulted in a project to implement a new complaints tracking system. The new system will provide a more user friendly and comprehensive platform for the efficient administration of logging, responding and closing complaints and enhance the ways in which we can report on trends and timeframes. The new system is scheduled to launch in autumn 2016.

## How complaints were received

Year	Face to Face %	Letter %	Email %	Telephone %	Other (Comment Cards) %
2015-16	3	9	76	10	2
2014-15	2	8	61	11	18
2013-14	2	13	78	7	2
2012-13	1	19	70	8	2
2011-12	2	26	48	6	18
2010-11	1	24	56	4	15

The majority of complaints were received in writing, predominantly via email (the email figure is a combination of standard emails and the use of our electronic online form).

## Compliments

### Cambridge City Council Compliment totals 2010 - 2015-16

Year	Chief Exec's	Environment	Business and Transformation	Customer & Community	Totals
2015-16	0	30	38	79	147
2014-15*	0	64	79	120	263

Year	Chief Exec's	Environment	Resources	Customer & Community	Totals
2013-14	0	19	15	148	182
2012-13	0	8	23	571	602
2011-12	0	7	3	531	541
2010-11	6	35	12	408	461

\*In early 2014 we saw a change in services and directorates. The tables above have been separated to show this clearly.

Following the change in the way in which we receive feedback, with the introduction of GovMetric as a feedback system in 2014; We are continuing to see a significant decrease in compliments received via e-mail and letter to the Customer Service Centre, as customers are choosing to use GovMetric to communicate both compliments and comments.



## 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.

We currently use GovMetric to monitor feedback from the website, face to face visits in Mandela House reception and via service e-mails and incoming calls to Mandela House.

### Total feedback via GovMetric 2014 - 2016

Channel	Date	Total	Good %	Average %	Poor %
Web	2015-16	3589	47%	13%	40%
	2014-15	4316	48%	14%	37%
Phone	2015-16	1230	87%	6%	7%
	02.12.2014-31.03.2015	317	85%	7%	8%
Email	2015-16	2361	70%	10%	20%
	02.12.2014-31.03.2015	610	74%	9%	17%
Face to Face	2015-16	3801	71%	12%	17%
	2014-15	3555	67%	13%	21%

When feedback is received via the GovMetric system and requires an action or a response, the relevant service is notified for their input. The web team have used the web based feedback to monitor and review the general functionality of our website, and the comments and suggestions have contributed to the redesign of our new look website [www.cambridge.gov.uk](http://www.cambridge.gov.uk) which launched in autumn 2015. In instances where a poor comment constitutes a complaint it is recorded as an official complaint and managed in accordance with our corporate complaints procedure.

## Service Complaint Trends and 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.

Pages 10 – 20 detail comments from Services on actions they have taken to prevent, improve or change as a result of the feedback received in 2015-16.

### Directorate – Chief Executive

Corporate Strategy 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	3	0	100%	0
This service has not been reported on in detail, due to the low volume of feedback.				

### Directorate – Environment

Environmental Health 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	9	2	62.2%	5
<b>Service area context</b>				
Environmental Health moved from the Environment Directorate to Customer and Community Services on 19 <sup>th</sup> August 2015.				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>Individual complaints with no themes</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>Due to the low volume of complaints, which were dealt with on an individual basis, there have been no changes or improvements identified.</li> </ul>				
<b>Consultation / committee decision outcomes</b>				
<ul style="list-style-type: none"> <li>Two complaints were investigated and unfounded and later became part of a legal case, which deemed the complainant's contact as malicious communication. This matter was dealt with via the police and future contact between the complainant and the authority will be managed via a solicitor.</li> </ul>				

Refuse 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	104	9	75.2%	7
<b>Service area context</b>				
<p>As a shared service initiative with South Cambridgeshire District Council, the Refuse service moved from Mill Road Depot to operate from Waterbeach Depot during Quarter 3. The refuse department has now embedded itself in its new operating centre at Waterbeach and is looking at how it can best deliver and improve its service to the residents of the city. Out of the 104 complaints the majority are relating to missed bins. The service collects approximately 78,000 bins per week and has successfully collected 99.98% of them over the last year. We will ensure the service focus is on making the crews aware of new builds being occupied and that feedback to crews is given where needed.</p>				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Service Failure (Missed bins)</li> <li>• Delivery of service (bin positioning after collections, vehicle obstruction)</li> <li>• Staff engagement and behaviour (Attitude / driving)</li> <li>• Procedures (Bank holiday schedule changes)</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• The team leaders have continued attaching photos and maps for the crews where collections have been missed and where bins have not been returned to the collection point on repeat occasions.</li> <li>• Discussions have taken place with drivers on best practice and conduct when driving their vehicles, emphasising the need to minimise obstruction to other road users.</li> <li>• Driver training has been conducted to increase drivers' cyclist awareness and any staff who have been involved in a driver conduct complaint have been individually spoken to and reminded of the council's code of conduct.</li> <li>• Staff shortages were leading to an increase in missed bins, to build greater resilience the option of upskilling loaders to be trained to drive was reviewed</li> <li>• During the transition into a shared service arrangement, it has provided an opportunity to emphasise the importance of customer service and how this translates with the waste service setting. In addition the new head of service has spent time with the waste streams from both authorities to experience the issues the crews face and how they operate to enable the service to look for improvements in its service delivery.</li> <li>• The team have worked closely with the Customer Service Centre (CSC) to ensure that trends of complaints are monitored and customer's expectations are managed wherever possible. Liaison meetings and regular management feedback has supported in timely updates and investigation. This has resulted in significant improvements in the volume of missed collection complaints.</li> <li>• A workforce meeting has been established, enabling staff and management to meet on a regular basis to discuss performance, training and Health and Safety to enable improvements for both staff and residents.</li> </ul> <p>The communication to residents about holiday collections has been reviewed and was sufficient considering the level of change made. The timing and method of communications about holiday collections is carefully considered each year, taking into account previous year's experiences.</p>				

Streets & Open Spaces 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	53	0	79.2%	12
<b>Service area context</b>				
Streets & Open Spaces service was restructured in April, 2015, following a management review conducted in 2014/15. The council started a new corporate building cleaning contract, including public toilets, in June 2015. This contract involved the TUPE transfer of former City Council building cleaning staff to the new provider, Churchill.				
<b>Themes Identified</b>				
Service Failure <ul style="list-style-type: none"> <li>• Silver Street public toilet. cleanliness</li> <li>• Missed tree report responses</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• Efforts to maintain Silver Street public toilet cleanliness levels have been undertaken throughout the year. In parallel, there has been significant scoping investigation into an improved facility at the site. This resulted in March 2016, with an options report being presented to the Environment Scrutiny Committee. Executive Councillor agreed the results of the scoping exercise on the various and supported further development work (including detailed design and public consultation) on potential variations around Option 2 (street level facility on existing site).</li> <li>• In response to need to strengthen arboricultural service management, created new Senior Arboriculture Officer post to lead / manage tree team. Appointed May, 2015, the new Senior Arboriculture Officer has introduced new tree team specific customer service standards (in accordance with corporate standards) and will ensure performance is monitored/ managed against it. Impact of these changes yet to take full effect. In October, 2015, Executive Councillor adopted new citywide Tree Strategy and associated policy framework.</li> <li>• Reviewed health and safety policy / risk assessment and identified need to refresh policy guidance on safe use of vehicles on Council parks and open spaces (to be implemented as part of wider corporate policy 2016/17).</li> <li>• Reviewed programming of plant watering outside complainant's property so that this is done at more reasonable time of day.</li> <li>• Agreed to review fruit drop from trees on Alex Wood Road, next year, with a view to implementing a phased removal of trees before onset of fruiting. Street cleansing service directed to clear the current level of fruit drop.</li> <li>• Head of Service has introduced new monthly customer complaint reporting system, which will use to monitor management issues across the service and agree any required changes/ improvements with service managers.</li> </ul>				

Specialist Services 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	11	0	83.6%	1
<b>Service area headlines</b>				
The service experienced high staffing turnover during quarter 3, to remedy this, recruitment involved a combination of new and temporary staff members to be appointed.				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Service Delivery Failures (one-off staff errors)</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• Following recruitment of new staff, mentoring and training was implemented. This supported with safeguarding against errors. In addition, any staff complaints were investigated and followed up with the individual involved.</li> <li>• The service has improved cross-referencing when actioning ashes follow up</li> <li>• Improved grass cutting procedures and supervision have been established.</li> <li>• New improved shoring is provided for open graves</li> </ul>				

Parking Services 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	26	2	92.8%	3
<b>Service area context</b>				
Following a committee report submission for city car parks improvements – the recommendations for replacement car parking equipment and provision for card payment processing services to be implemented were endorsed in January 2016.				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Policy (decisions)</li> <li>• Staff Conduct</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• In the interests of good customer service a grace period has been introduced from 7.30am in the morning to allow for customers arriving before the 8am start time of their permit and ten minutes at night which brings season tickets in line with casual parkers.</li> <li>• In June 2016 a new building cleaning contract launched, this new contractor has a quick reaction team in the event of contaminated waste reports – providing swift resolution of customer complaints. In addition, the department work closely with the Police and Anti-Social Behaviour Team to reduce the origin of certain types of contaminated waste.</li> <li>• Any short falls in the level of customer service provided by operatives is addressed in the staff members performance reviews and training is provided where applicable. In addition, voice recording has been implemented and all intercom transactions are saved for review and on occasion training purposes.</li> </ul>				

Planning 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	60	11	83.1%	0
<b>Service area headlines</b>				
Increasingly high workload of planning application and enforcement work were observed from Quarter 3 and Quarter4, against a context of 5 officers leaving the authority. Recruitment to fill these vacancies was undertaken during Quarters 3 and 4.				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Communication (delays, inaccuracy, lack of consultation)</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• A number of complaints related to errors in committee reports, these were identified by officers and fully corrected at, or reported to committee. Apologies and explanations were given to the customers who raised concerns about this. The service manager has raised this issue with the team at a team meeting.</li> <li>• Where a complaint relates specifically to an officer the matter is discussed with the staff member and where applicable the staff member is monitored by their line manager.</li> <li>• The importance of communication is highlighted regularly to staff at team meetings, during one-to-one meetings and via individual performance reviews. With additional support provided to inexperienced officers.</li> <li>• Following an Independent Complaints Commissioner investigation, a learning point was suggested - to review the order of items on Planning Committee Agendas. The process was reviewed to ensure that the order of late items is considered more carefully.</li> </ul>				
<b>Consultation or committee decision outcomes</b>				
In relation to the ICI complaint review regarding 219 Milton Road this resulted in a report being taken to Planning Committee in April 2016 and a decision not to revoke planning permission. The case has now moved onto the LGO.				
<b>ICI Learning</b>				
Learning from the ICI review has focused on the need to be thorough particularly during site visits and when making decisions. This has been a very serious case for the CDM team and all members have been briefed on it.				

Garage 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	1	0	100%	2
This service has not been reported on in detail, due to the low volume of feedback.				



## Directorate – Customer and Community

Estates & Facilities 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	98	11	56.9%	16
<b>Service area context</b>				
The number of complaints increased in Quarter 4 and notably an area of concern being the significant rise in complaints progressing to a stage 2 referral. This has been viewed in the context of a challenging period for staff, undergoing a re-structure of the Estates & Facilities and changes to administration processes (and personnel) resulting from the Support Services Review.				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Procedures / Planned Works</li> <li>• Delays</li> <li>• Service Failure (delivery / quality of repairs and communication)</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• The need for customer focussed service and high standards in all communication are reinforced at all monthly team briefings.</li> <li>• Discussions have taken place with planned work contractors to improve the responses made to any defective work that is reported. The Head of Service has endorsed the importance to Senior Managers of handling and responding to complaints within the agreed timeframe, and ensure the relevant complaints administrator is sent a copy of the response. Officers that have a demonstrably poor response rate are then monitored. Further training has been provided to help overcome customer misunderstanding of damp/condensation/mould growth issues and the causes particularly during colder winter months. Customers are visited and given advice on property use (heating/ventilation). Free humidity meters are issued. All craft operatives have received training in identification, causes and advice in the management of condensation and mould growth. Tenant reps and non-technical CSC and Housing staff were included in the training.</li> <li>• Following completion of the restructuring, new arrangements have been developed to ensure that customer enquiries can be investigated and resolved at an early stage without resort to the complaints procedure. These arrangements include for staff availability for site inspections where appropriate to resolve or explain enquiries as early as possible. Complaint recording in Q1 (2016/17) will provide an indication of progress.</li> <li>• The Planned Works Programme 2016-17 was distributed internally (CSC and City Homes) in January 2016 to enable wider communication to customers. In addition, there has been reinforced publicity of the agreed 2015 fencing policy, to ensure tenants are aware of the extent and construction available.</li> </ul>				

City Homes 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	67	3	62.9%	21
<b>Service area context</b>				
In June 2015 a new building cleaning contract launched, this resulted in an initial increase of complaints relating to the standard of their service. Some complaints received were a result of individual complainants who remained dissatisfied with the outcome of complaints investigations, and spanned more than one quarter whilst a resolution was sought. In the final quarter the team started to make preparations for structural changes to the housing team, including the closure of the South Area Office.				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Service Failure (cleanliness/maintenance)</li> <li>• Staff (conduct/managing expectations)</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• The need for responding to customer enquiries in a timely manner has been reinforced to the staff members and monitoring is in place by the Area Housing Manager to maintain standards.</li> <li>• Weekly meetings have been established to monitor the building cleaning contractor; this has resulted in significant improvements in service.</li> </ul>				

Community Services 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	9	0	100%	34
<b>Service area context</b>				
<ul style="list-style-type: none"> <li>• Children's and young people's services (ChYpPs)</li> <li>• Community facilities</li> <li>• Grants and support for the voluntary sector</li> <li>• Neighbourhood Community Development &amp; Safer Communities</li> <li>• Sport, recreation and swimming services</li> <li>• Culture, arts, equality &amp; diversity</li> </ul>				
<b>Structural context</b>				
<ul style="list-style-type: none"> <li>• Cambridge Corn Exchange, Cambridge Folk Festival Guildhall events and City Events run by Cambridge Live under contract with the Council</li> <li>• Leisure facilities managed by GLL under contract with the Council</li> </ul>				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Individual complaints - no themes</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• It has been noted by the Department that the volume is low, this was raised with managers to encourage reporting and logging where applicable.</li> </ul>				

Strategic Housing 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	39	3	92.3%	2
<b>Service area context</b>				
<p>The volume of complaints reflects the additional pressures on the service, particularly the Housing Advice Service, as housing applications increase. There has been a 37% increase in the housing register during 2014-15. The numbers of people applying as homeless has increased from 262 in 2014/15 to 419 in the current year, an increase of 60%. In addition, during quarter 3 there were a number of staffing changes and in quarter 4 the service was leading up to the implementation of two new IT systems.</p>				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Service Failure (application processing)</li> <li>• Policy / Decisions (homeless application acceptance)</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• In collaboration with the Safer Communities team, quarterly snapshot surveys are completed with residents, where dissatisfaction is reported, the matter is followed up, to identify either an immediate resolution or to offer further information/explanation that might help. This also supports tracking trends.</li> <li>• The team has been collating a list of 'Frequently Asked Questions' to be published on the corporate website. This will include information about why we require the level of proofs that we currently request, and why the processing of these proofs is not immediate.</li> <li>• To ensure the medical assessment process is efficient and fair to all, officers have been reminded that applications should only be re-submitted where there is new medical information.</li> <li>• It has been acknowledged that there is a need to communicate better with other Home-Link partner authorities, particularly where there are differing approaches, policies and processes.</li> <li>• Following feedback, the Senior Officer Review Panel will aim to convey the reasons for their decisions to the applicant, as well as the decision itself.</li> <li>• The team have been piloting an approach to verification which means that applicants will not normally be required to provide documentation until they are likely to receive an offer. Although this improves the customer experience when first applying to us, it's anticipated that some customers will experience difficulties in providing proofs when they are required to progress an offer.</li> </ul>				

Revenues & Benefits 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	33	1	85%	6
<b>Service area context</b>				
The number of complaints is extremely low given high volumes of documents issued by Revenues and Benefits each year, including reminders and enforcement documents chasing payments. During 2015/16 we sent 30,000 council tax recovery documents (reminders and summonses for non-payment), in addition to 76,000 council tax bills. 2500 new housing benefit claims and 39,000 housing benefit changes in circumstance were processed. In addition to this Council Tax Reduction claims were managed as well as housing benefit overpayments.				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Communication (delays / notifications issued / published information)</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• There has been a review of email acknowledgement messages and additional resource allocated to reduce complaints regarding delayed responses to appeals.</li> <li>• The team conducted a review of council tax reminder notices being sent; this resulted in the introduction of a process to ensure cancellations of Direct Debits were initiated by customers and not a banking issue.</li> <li>• A project was initiated to carry out a further review of the content of council notices, with a view to making them easier to understand and assess their overall tone.</li> <li>• Work has been completed to review processes within both Revenues and Benefits, with an aim to reduce the time it takes to action incoming work.</li> <li>• Additional checks have been completed within Benefits to reduce calculation errors and a new post of Compliance Officer has been created to monitor and reduce errors and resolve any issues highlighted as soon as possible.</li> <li>• In order to manage customer expectations of the speed of processing, the section is continuing to develop online functionality to enable customers to self-serve and update their accounts and claims. This has been very successful with approximately 30% of revenues work and 65% of benefits work coming via this e-channel. On-going efforts are being made to promote this facility to customers. Including its promotion via the Customer Service Centres telephone lines and face-to-face points.</li> </ul>				

## Directorate – Business Transformation

Customer Services 2015-16	No. of Complaints	Number of Stage 2 Complaints	Complaints in Target	Number of compliments
	39	0	83.4%	38
<b>Service area context</b>				
In the period of 01.04.15 - 31.03.16 customer services received over 255000 calls and emails combined, and over 42000 face to face visits. In October 2015 Cambridge City Council's waste service went live as a shared service with South Cambridgeshire District Council and we experienced an escalation in complaints from customers regarding their contact with customer service regarding missed collections and delays in bins being delivered.				
<b>Themes Identified</b>				
<ul style="list-style-type: none"> <li>• Communication Issues (telephone system)</li> <li>• Staff conduct</li> <li>• Delays in response (queuing)</li> </ul>				
<b>Any changes and improvements made</b>				
<ul style="list-style-type: none"> <li>• Meetings were held with the director and operational manager for the waste service to establish what improvements within the waste service would be made to prevent the need for customers to complain and to ensure our team were well briefed on updates.</li> <li>• Staff members have received regular coaching and training to support their development, in particular conflict resolution and targeted one-to-one guidance in relation to any specific dissatisfactory customer contacts.</li> <li>• Efforts have been made to improve awareness of bulk mailings and activities across the council that cause increases in demand on customer services – a corporate calendar has been populated to coordinate and capture key dates.</li> <li>• The department has implemented a more proactive approach to updating telephone queue messages.</li> <li>• A new appointment system has been implemented for face-to-face planning enquiries to support with managing resource across both contact methods.</li> <li>• A number of new staff have been recruited and trained, and additional temporary resource sought to cover staff shortages where possible.</li> <li>• Customer Services introduced an automated call answering service for customers contacting us about Council Tax and Housing Benefit (inform360) in January 2016. This initiative was designed to answer the simple and straightforward queries relating to these service areas and to encourage the use of our on-line systems to free up capacity to deal with the complex queries customer have. The implementation is being continually monitored and reviewed to make improvements which improve the customers experience when using this facility. Changes include menu alterations and enabling customers to easily identify how to be transferred to an advisor.</li> </ul>				

<b>Property Services 2015-16</b>	<b>No. of Complaints</b>	<b>Number of Stage 2 Complaints</b>	<b>Complaints in Target</b>	<b>Number of compliments</b>
	2	0	100%	0
This service has not been reported on in detail, due to the low volume of feedback.				

<b>Finance 2015-16</b>	<b>No. of Complaints</b>	<b>Number of Stage 2 Complaints</b>	<b>Complaints in Target</b>	<b>Number of compliments</b>
	0	0	N/A	0
This service received no complaints or compliments.				

<b>Legal Services 2015-16</b>	<b>No. of Complaints</b>	<b>Number of Stage 2 Complaints</b>	<b>Complaints in Target</b>	<b>Number of compliments</b>
	0	0	N/A	0
This service received no complaints or compliments.				

<b>Human Resources 2015-16</b>	<b>No. of Complaints</b>	<b>Number of Stage 2 Complaints</b>	<b>Complaints in Target</b>	<b>Number of compliments</b>
	0	0	N/A	0
This service received no complaints or compliments.				

## Independent Complaints Investigator (ICI)

From the period April 2014 until March 2015, three investigations were carried over. From 1 April 2015 until 31 March 2016, twenty-six complaints were submitted to the Independent Complaints Investigator.

Of these twenty-nine complaints which have been submitted, during 2015 to 2016, fifteen submissions were not investigated, nine submissions were investigated and reported, and five investigations were on-going and awaiting report at the end of the year. Of these nine reports, four complaints were not up-held, three complaints were partially up-held, and two complaints were up-held.

### Up-held, and partially up-held Stage 3 complaints, 2015-16.

Directorate	Service	Date	Decision
Environment	Planning	20 February 2015	Partially up-held.
Customer and Community	Strategic Housing	17 July 2015	Partially up-held.
Environment	Planning	24 July 2015	Partially up-held
Environment	Streets & Open Spaces	4 January 2016	Up-held
Environment	Planning	8 February 2016	Up-held.

### ICI Complaints received between 2012 – 2015-16

Period	Received	Partially upheld	Upheld	Services where complaint upheld.
2015-16	3* + 26	3	2	Planning; Streets and Open Spaces and Strategic Housing.
2014-15	2* + 19	1	4	Streets and Open Spaces; Estates and Facilities; Property Services; and City Homes.
2013-14	28	5	2	Planning Services; Revenues and Benefits; Estates and Facilities; City Homes; Environment Services; Planning; Housing Needs; Anti-Social Behaviour; Environmental Services; Accountancy and Support Services; Estates and Facilities.
2012-13	3* + 21	2	3	Planning Estates and Facilities Streets and Open Spaces

\*Complaints carried over from the previous financial year.

## Environment - Independent Complaints Investigator (ICI)

Directorate	Service	Decision
Environment	Planning Services	Partially up-held
<b>Complaint Overview</b>		
Complaint with several components about timings, dates, responses, and protocols regarding a Planning Enforcement Notice to Demolish a new-build which did not possess planning permission.		
<b>ICI Feedback</b>		
<p>The Independent Complaints Investigator recommended a letter of apology for not responding to correspondence, along with re-assurance that in the future the complainant will receive treatment on the basis of merit, case by case.</p> <p>The Independent Complaints Investigator did not uphold that:</p> <ul style="list-style-type: none"> <li>the council impacted on time dependent decisions that led to an enforcement notice, nor that the notice was unfair, or that the council acted unreasonably in its issue.</li> <li>any inaccuracy in dates was influential in the decision to proceed with the notice.</li> </ul>		
<b>Actions taken in response to feedback</b>		
<p>The complaint related to development on site owned by the complainant, who has since been invited to submit correspondence to a single point of contact in the Council (City Development Manager) to ensure that the questions that they raise are dealt with effectively. They have also been advised by the Director of Environment not to contact the Council about issues that have already been resolved or which have no clear meaning. The complainant has been encouraged to contact the LGO if they are dissatisfied with the arrangement.</p>		

## Customer and Community Services - Independent Complaints Investigator (ICI)

Directorate	Service	Decision
Customer and Community	Strategic Housing	Partially up-held
<b>Complaint Overview</b>		
Complainant alleged that she had been forced to sign a rental agreement for a garage for the storage of her belongings, as she had become homeless. The Independent Complaints Investigator found no evidence of duress, and that the Council had acted reasonably. The ICI found that the Council had not provided the complainant with sufficient notice of time.		
<b>ICI Feedback</b>		
<p>The ICI recommended compensation to the cost of the lost food items due to the lack of notice for the complainant to make decisions on its storage/consumption.</p> <p>The Independent Complaints Investigator did not up hold that:</p> <ul style="list-style-type: none"> <li>there was duress on the part of the council of the complainant to lease a garage.</li> </ul>		
<b>Actions taken in response to feedback</b>		
This complaint was escalated to the LGO, further details available on page 25.		



## Environment - Independent Complaints Investigator (ICI)

Directorate	Service	Decision
Environment	Planning	Partially up-held
<b>Complaint Overview</b>		
Complaint that Council's "Considerate Contractor Scheme" is ineffective, since it does not possess either formal obligations, or an independent complaints process, unlike the national 'Considerate Constructors' Scheme'. Also, the similarity between the two names is misleading.		
<b>ICI Feedback</b>		
<p>The Independent Complaints Investigator upheld that:</p> <ul style="list-style-type: none"> <li>the omission from the council's publicity of the voluntary nature of the agreement misleads the public to believe that the agreement gives the Council authority with any contractor who may not comply with its terms.</li> <li>the scheme does not have an effective or documented complaints process to standardise the expected response to public complaints.</li> <li>the complaint that the Council's 'Considerate Contractor Scheme' does not have an effective independent complaints process to address where complainants are dissatisfied with a contractor's internal investigation processes or approach.</li> <li>there is a need for a documented process for dealing with the sanction of contractor members who do not comply with the Code of Good Practice.</li> </ul> <p>The Independent Complaints Investigator did not up hold that:</p> <ul style="list-style-type: none"> <li>the similarity between the two names was misleading to the public.</li> </ul>		
<b>Actions taken in response to feedback</b>		
<p>As a result of this complaint the Director of Environment requested an internal review of the Considerate Contractor Scheme. As part of this review, discussions took place with the CCS website was amended to emphasise the voluntary nature of the scheme and to refine and highlight the associated complaints procedure.</p> <p>Further details can be found within the full Considerate Contractor Scheme <a href="#">review report</a>.</p>		

## Environment - Independent Complaints Investigator (ICI)

Directorate	Service	Decision
Environment	Public and Open Spaces	Up-held
<b>Complaint Overview</b>		
Complaint that the Members' Cycling and Pedestrian Steering Group did not consult appropriately with stake-holders prior to its decision to widen the foot path in Palmers' Walk. Whilst the Council has responded to the concerns which have been raised by considering suggestions which might improve the proposed scheme, the core issue for the complainant is that the original consultation process was flawed, and biased towards the decision which the Group appeared to seek. The details of the alleged bias are: that only one option was forwarded, that a significant number of stake holders were not identified, and were not consulted, and that the analysis of the limited information which was submitted lacked transparency.		
<b>ICI feedback</b>		

The Independent Complaints Investigator up-held this complaint on the basis that:

- the council had failed in its duty to conduct a fair and open consultation, and that the council had failed to consult on alternatives.
- the decision to widen Palmers Walk was unsound, and that there has been maladministration by the council.

#### **Actions taken in response to feedback**

Cambridge City Council obtained legal advice and a revocation report was taken to Planning Committee on 6 April 2016. Contact was made with the applicant and they were advised not to start works. Works have not commenced. Contact was made with complainant and is on-going. In addition, the complaint outcomes were discussed at a team meeting. Relevant Planning Portal information was checked and officers were reminded of this at a team meeting.

Report taken to next available Planning Committee and Councillors briefed throughout.

This case progressed to the LGO and officers are awaiting the outcome of the review.

### **Environment - Independent Complaints Investigator (ICI)**

<b>Directorate</b>	<b>Service</b>	<b>Decision</b>
Environment	Planning Services	Up-held
<b>Complaint Overview</b>		
<p>Complaint that:</p> <p>The Planning Officer did not take into account all the relevant factors in applying delegated powers, so that the decision to approve is unsound; The review process conducted by the Head of Planning Services made some incorrect assumptions in supporting the original decision to approve, so that the decision to approve continues to be unsound; and Both the oversight, and the review processes regarding delegated powers are inadequate.</p>		
<b>ICI Feedback</b>		
<p>The Independent Complaints Investigator up-held this complaint on the basis that:</p> <ul style="list-style-type: none"> <li>• the Planning Officer did not take into account all of the relevant factors in applying delegated powers.</li> <li>• the Stage Two internal review process of the complaint made judgements which were flawed and therefore the decision to support approval was unsound.</li> <li>• the Head of Planning Services did not support their judgement with supporting evidence in relation to the oversight by a Principal Planning Officer of the delegated powers and the Planning Officer's report containing factual errors.</li> </ul>		
<b>Actions taken in response to feedback</b>		
<p>Cambridge City Council obtained legal advice and a revocation report was taken to Planning Committee on 6 April 2016. Contact was made with the applicant and they were advised not to start works. Works have not commenced. Contact was made with complainant and is on-going. In addition, the complaint outcomes were discussed at a team meeting. Relevant Planning Portal information was checked and officers were reminded of this at a team meeting.</p> <p>Report taken to next available Planning Committee and Councillors briefed throughout.</p> <p>This case progressed to the LGO and officers are awaiting the outcome of the review.</p>		

## Local Government Ombudsman (LGO)

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.

In 2015-16 the Local Government Ombudsman received 16 enquiries and complaints, 3 were treated as complaints where decisions were applicable. As a result of the LGO's detailed investigations, 2 were upheld, 1 was not upheld.

Department	No of Complaints	Decision
Benefits & Tax	2	1 Referred back for local resolution; 1 Incomplete / Invalid
Environmental Services	3	1 Upheld 1 Referred back for local resolution; 1 Closed after initial enquiries
Housing	7	1 Upheld 1 Not upheld; 4 Referred back for local resolution; 1 Advice Given
Planning	4	2 Referred back for local resolution 2 Closed after initial enquiry
Total	16	

### Comments Environmental Services relating to upheld Complaint:

There has been one upheld complaint made to the LGO in regards to a Moorings Licence. The council was considered at fault through its delay in considering the complainants representations about obtaining a second sole residential license to use its riverside moorings. The LGO found maladministration, no injustice. Officers amended the Mooring Licence to reflect the LGO's advice.

### Comments from Housing relating to upheld Complaint:

One upheld complaint relating to the Council moving a resident at short notice from temporary accommodation, resulting in the need for the rental of a council garage to store their belongings. They complained that the Council fee was too high for the garage, that the council miscalculated the garage rent and the arrears payable for it. This case prompted an internal review of temporary third party lease arrangements, a review of issuing keys for garages by City Homes, effective complaint handling training was organised for Council staff to attend, organised by the LGO and the customer received an apology and was compensated to the sum of £410. This complaint has been reported to Housing Scrutiny with a detailed report on actions taken by the service.

### Yearly comparison 2011 – 2015-16

Year	Total Enquiries Received	Change %
2015-16	16	0
2014-15	16	0
2013-15	16	+56
2012-13	7	-65
2011-12	20	+5

## 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 Practice). When the Monitoring Officer receives a complaint about breach of the Code of Conduct, they consult 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 2015-16, the Council received three complaints about the conduct of councillors. Two of the complaints were rejected and one was upheld.

The first complaint related to a letter to the Cambridge News sent by a (now former) councillor. The letter related to punt touts and was expressed in strong terms. The complainant considered that the comments amounted to personal insults about his son, who worked as a punt tout. Insulting an individual can amount to a failure to treat them with respect and is potentially a breach of the Code of Conduct. The Monitoring Officer rejected the complaint because (a) the letter commented generally on punt touts and did not identify an individual; (b) It is important, on matters of local political controversy, that politicians are not, without very good reason, hindered in saying what they think; (c) The letter was written in very strong terms but did not go beyond the sort of language one might expect of a politician in expressing strongly held views; and (d) the councillor's right to express his views was protected by his right to freedom of expression under Article 10 of the European Convention on Human Rights.

The second complaint related to comments made to or about an individual via Twitter. The Monitoring Officer upheld the complaint in respect of two comments made but not in respect of others. The councillor apologised for the comments made and the Monitoring Officer considered this to be an appropriate resolution of the complaint.

The third complaint concerned the way in which the Chair of a committee conducted a meeting. The Monitoring Officer's remit in this context was to consider whether there was a breach of the Code of Conduct, not to reach a view on whether the meeting was well chaired. The complainant alleged that they and members of the public had not been treated with respect and that the Chair had acted in a bullying and intimidating manner. The Monitoring Officer did not accept that this was the case and did not uphold the complaint. The Chair conceded that, with hindsight, they could have handled the meeting better but the Monitoring Officer decided that any failings did not amount to a breach of the Code of Conduct.

There were 3 complaints in 2011/12, 2 complaints in 2012/13, 3 complaints in 2013/14 and 4 complaints in 2014/15. To find out more about the Council's Code of Conduct visit our website or contact the Council's Monitoring Officer Tom Lewis [tom.lewis@3csharedservices.org](mailto:tom.lewis@3csharedservices.org). (The Councillor Code of Conduct decisions summarised in this report were made by the council's previous Monitoring Officer, Simon Pugh).

## CAMBRIDGE CITY COUNCIL

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REPORT OF: Head of Corporate Strategy

TO: Civic Affairs Committee

14/9/2016

WARDS: All

### **FREEDOM OF INFORMATION, DATA PROTECTION AND TRANSPARENCY: ANNUAL REPORT 2015/16**

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#### **1 INTRODUCTION**

- 1.1 This report provides Civic Affairs Committee with an annual report on performance and activity during 2015/16 on transparency issues, including: data protection; requests for information under Freedom of Information (FOI) and Environmental Information Regulations (EIR); and open data.

#### **2. RECOMMENDATIONS**

- 2.1 Note the Council's performance on transparency issues during 2015/16.

#### **3. DATA PROTECTION**

##### Background

- 3.1 The Council collects and holds a wide range of personal information about our tenants, residents and the users of our services. This information helps us to provide services and assist our customers.
- 3.2 The Data Protection Act (DPA) 1998 provides a framework to ensure that personal information is handled appropriately, fairly and securely. The Council must process personal data in accordance with the Data Protection Principles, including:
- Information must be processed fairly and lawfully. This means that the individual providing personal information to Council services must clearly understand why their data is needed, who it will be

shared with, giving them a clear indication of how their personal data will be used.

- Collecting personal information only for the purposes specified, and ensuring that the information collected is relevant and not excessive in relation to those purposes
- Using personal information held by the Council only for the purposes specified by the authority to the Information Commissioner Office (ICO)
- Ensuring that personal information collected is accurate, kept up to date, and is not kept for longer than is necessary
- Ensuring that personal data is kept securely. The Council is required to take appropriate technical and other measures to prevent unauthorised or unlawful access to personal information, or accidental loss, destruction or damage of personal information.
- Ensuring that personal information about individuals is not shared with other people or organisations, except in the circumstances described by the act. . These exceptions to the Act include when information could assist in the prevention and detection of a crime, the apprehension or prosecution of offenders and matters of taxation.
- Providing individuals with access to information held by the Council about them, through responding to Subject Access Requests.

3.3 If the Council breaches the principles of the DPA, this can have a significant impact on the individual(s) affected. In particular, the loss or unauthorised sharing of personal information can have serious impacts, ranging from harassment to identity theft.

3.4 The Information Commissioners Office (ICO) receives reports of breaches of the Data Protection Act and makes decisions in each case. In the last 12 months the ICO has upheld decisions against 246 local authorities for breaches of the DPA. The ICO has the power to impose fines of up to £500,000 for breaches of data protection obligations, and in recent years a number of local authorities have been fined very large amounts for serious breaches of the DPA.

### Performance

3.5 The Council's Internal Audit service have carried out a number of audits which have considered whether the Council is complying with the DPA. All of these audits returned a significant assurance rating, which suggests that the Council's overall approach is compliant with the DPA. These audits have included audits of:

- Data security, March 2013
- Data protection compliance, focussing on document storage and retention and data sharing, April 2013
- Data sharing protocols and processes for reporting and responding to DPA breaches, January 2016

3.6 Although the Council's overall approach to data protection is compliant with the DPA, a number of data protection incidents have still occurred. Since August 2015, 15 data protection incidents have been reported by Council staff or residents. The incidents have related to the following issues:

- Letters containing personal information being sent to the wrong recipient. There have been 7 instances of this nature, occurring mainly due to more than one letter being included in an envelope, or documents left on a printer being included with another resident's letter;
- Sending information to the wrong person via email, as a result of the 'autofill' function selecting the incorrect email address;
- Sending information via email which should not have been disclosed;
- Issues with ineffective or incorrect redaction of documents, including documents published on the Council's website and documents sent out in response to an FOI request;
- Publication of correspondence containing personal information on the Council's website in error; and
- Sharing personal data regarding members of staff with other colleagues in error

3.7 In all 15 instances, immediate steps were taken by officers to mitigate the incident, such as recovering letters from the recipients or removing documents from the Council's website. Management actions have also been taken to reduce the risk of similar incidents taking place in future. 2 of the 15 incidents were considered significant enough to merit the Council reporting them to the ICO. However, in both of these cases the ICO decided that no further action was required beyond that which the Council had already taken. This gives further reassurance that the Council responds appropriately such incidents occur.

3.8 Over the past year, the Council has taken steps to clarify the process for reporting data protection incidents internally. It is likely that these measures have led to an increase in the number of reported incidents. While the majority of incidents and breaches are the result of human error, the increased reporting of breaches has enabled the

Council to identify the most common risks and take preventative measures where necessary.

- 3.9 Since January 2013, a senior officer Information Security Group (ISG) has been established and has been meeting regularly to review issues and drive improvements in the Council's approach to information security matters. Members of ISG have also carried out an annual assessment of the Council's compliance with the DPA using the self-assessment checklist for local authorities provided by the ICO. In response to these assessments, ISG has identified and implemented a number of actions in order to address outstanding data protection risks and reduce the likelihood of serious breaches of the DPA. A significant amount of work has been taken forward over the past three years, including the following key actions:

#### Improving corporate governance

- The Head of Corporate Strategy has been identified as the Council's Senior Information Risk Officer (SIRO) and reports to Strategic Leadership Team/Strategic Management Team on data protection matters. He is supported in this role by the Information Security Group, which is attended by relevant officers from Corporate Strategy, Legal Services, ICT Client (now 3C ICT services) and Internal Audit. The group meets five times a year to consider data protection and wider information governance issues and risks.
- Human Resources developed a generic job description for a manager, which makes it clear that managers are responsible for data protection and a range of other corporate issues.
- As outlined at 3.7, a clear process for reporting data protection breaches has been established. Awareness of the process amongst staff has been raised through articles in Management Matters and staff guidance on data protection.

#### Updating policies, guidance and resources for staff

- The Council's data protection policy and the data protection guidance for staff have both been reviewed and updated.
- The Council's records management policy, information governance policy and retention schedule have been reviewed and updated.
- A new, single data protection page on CityNet (the Council's staff intranet) has been created which provides links to relevant corporate policies and guidance on data protection and data



security issues. This has ensured that guidance is immediately available for staff, based on simple intranet searches.

### Increasing staff training and awareness of data protection issues

- All staff with access to Council IT accounts have been asked by their managers to complete training on data protection, most commonly through an e-learning module. The initial focus was on those officers who handle sensitive personal data, and has now been extended to all council staff with access to an IT account. As of August 2016, over 80% of all staff with active email accounts have completed data protection training, with reminders being sent to the remaining officers. It is now also a requirement that all new staff with access to the Council's IT network complete this module within a month of joining the Council, and that temporary and agency staff are required to have demonstrable knowledge of data protection issues when recruited. Heads of Service have been asked to ensure this is added to standard induction and recruitment procedures.
- More detailed data protection awareness workshops have been made available for staff through the Corporate Learning and Development programme and actively promoted to staff. As of 10 June 2016, a total of 22 senior managers had attended a series of data protection briefings for senior managers, and a further 88 staff had attended data protection awareness workshops.
- A session on information security is included at corporate induction, which should be attended by all staff joining the Council. A total of 87 new members of staff attended corporate induction in 2015/16.
- Attending relevant management teams (those that deal with significant amounts of personal data) to promote awareness of the revised data protection policy and some of the measures that have been put in place to promote data protection.
- Publishing a series of articles on data protection issues in Insight (the newsletter for all staff) and Management Matters (the newsletter for all managers), including specific items on effective redaction, the risks associated with autofill address function in emails, and the need to use the "bcc" field when sending emails to more than one external email address.

### Ensuring that appropriate data security measures are in place

- All Council laptops have been encrypted and all Council desktop computers have been audited annually to ensure that they meet Public Services Network (PSN) standards for data security.

- Locking down USB ports on staff computers so that data can only be downloaded to secure registered devices, including encrypted USB sticks and Council mobile phones.
- Multi-functional devices (MFDs) have been rolled out across Council sites which in most cases require staff to enter a personal identification number (PIN) before printing. This reduces the risk of personal information being left on printers. Managers have been asked to ensure that staff use only these PIN-enabled printers, unless operational requirements dictate otherwise and adequate safeguards are in place.
- Ensuring that emails to external organisations can be sent securely by staff, through providing GCSx email addresses for emails to other public sector partners and email encryption for email to other third parties.
- The Council also considered removing a function which allows Councillors to auto-forward emails from their City Council inbox (which is secure) to personal email addresses. However, taking account of operational effectiveness and considering the level of risk to be relatively low, this function has not been removed.

## **4.0 FREEDOM OF INFORMATION**

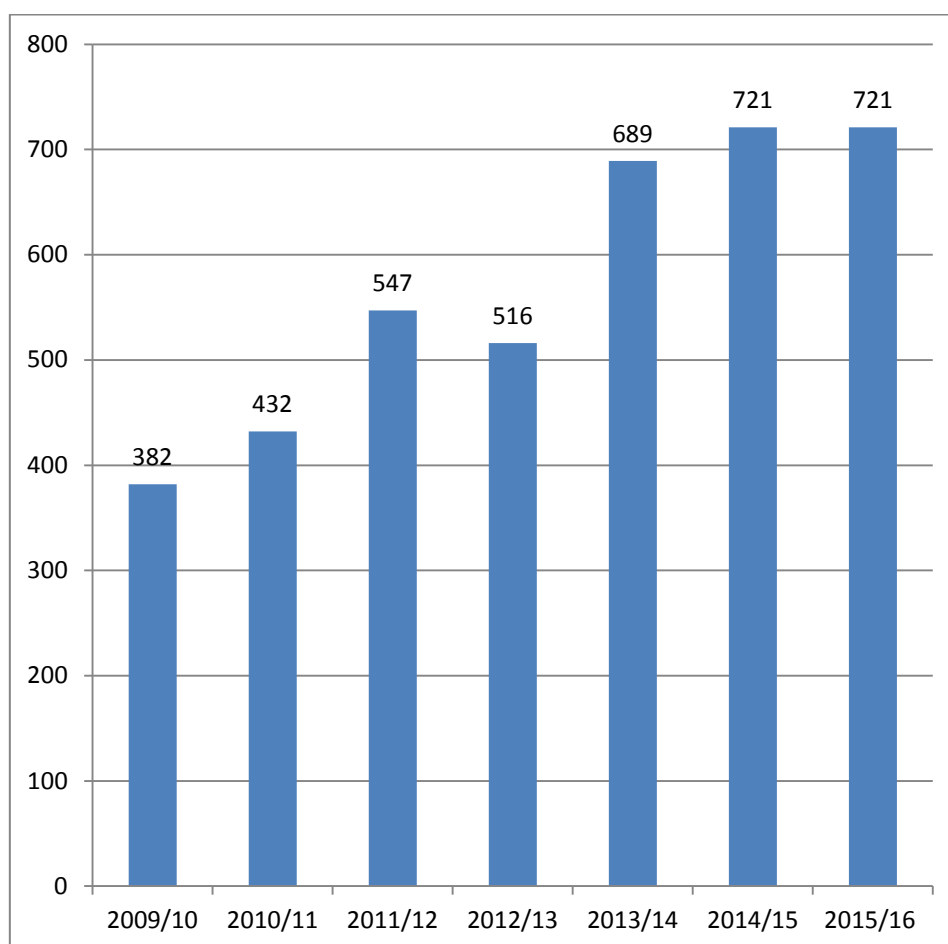
### Background

- 4.1 The Freedom of Information Act 2000 (FOI) and the Environmental Information Regulations 2004 (EIR) give rights of access to information held by public authorities. Both require the authority to proactively disclose certain information, and to release other information in response to requests, subject to certain exemptions.
- 4.2 EIR gives access to information about the environment, and requests for information held by a number of Council services, including planning services, environmental services and the shared waste service, fall under this legislation.
- 4.3 It was agreed at full Council on 16 July 2009 that the Council should publish all responses to FOI requests in a disclosure log on the Council website. The disclosure log is maintained centrally by staff in Corporate Strategy. To assist in keeping the disclosure log up to date, Heads of Service are asked to ensure that once officers have responded to requests, they send their responses to the FOI email address so that they can be published.

### Performance

- 4.4 In 2015/16 the council received a total of 721 requests under FOI and EIR, which is the same number of requests that were received during 2014/15. However, as Figure 1 below shows, there has been a significant increase in the number of requests over the past 7 years, from 382 in 2009/10 to 721 in 2015/16<sup>1</sup>. This represents an increase of 89% over this period.

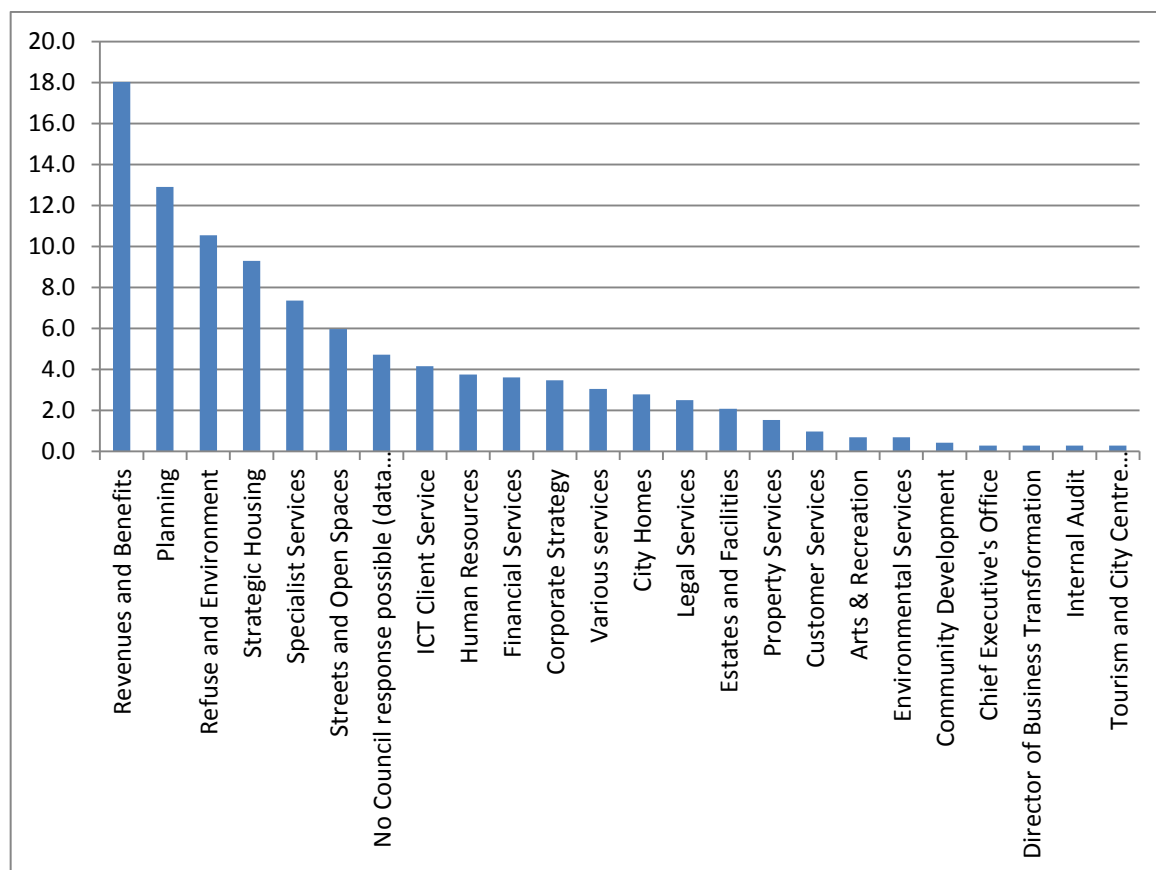
**Figure 1 – Number of FOI requests received by Cambridge City Council**



- 4.5 The number of requests received by different Council services varies significantly. As shown by Figure 2 below, requests to six customer-facing services account for almost two-thirds (64.1%) of FOI requests to the council in 2015/16. The top six services were: Revenues and Benefits (18.0%), Planning (12.9%), Refuse and Environment (10.5%), Strategic Housing (9.3%), Specialist Services (7.4%) and Streets and Open Spaces (6.0%)

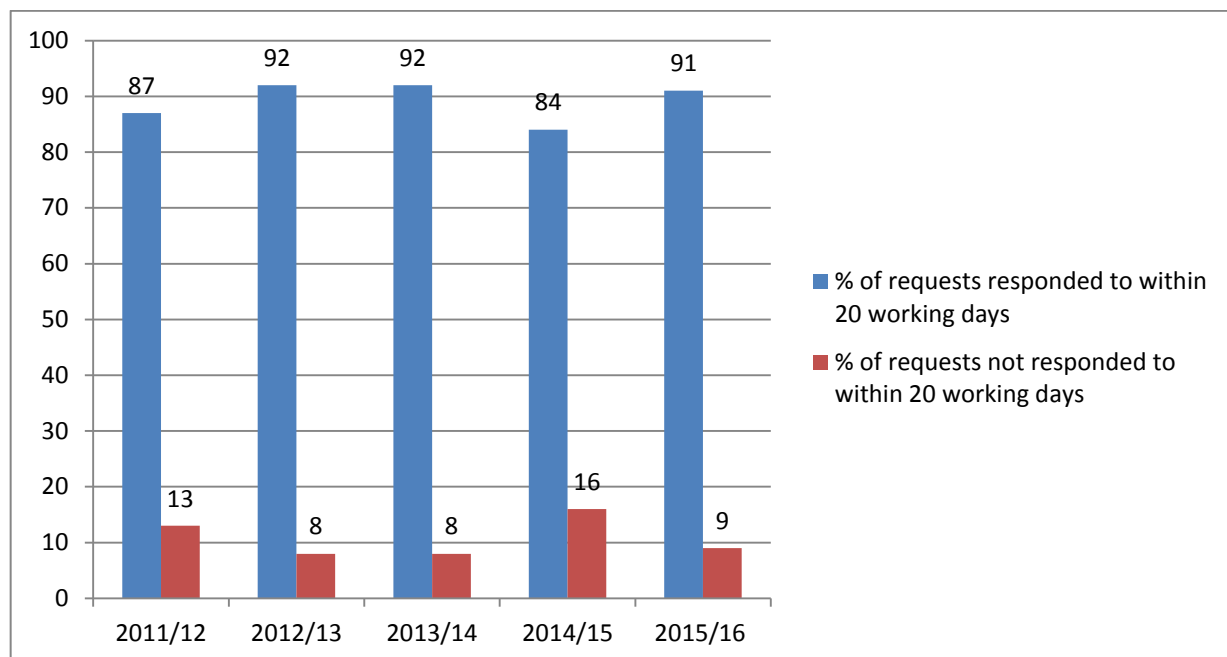
<sup>1</sup> In 2012/13 we stopped routinely recording requests that were asking for information held by other authorities, which partly explains the fall in the number of requests between 2011/12 and 2012/13

**Figure 2 – Percentage of requests received by City Council services**



- 4.6 The authority has a duty to respond to FOI and EIR requests as soon as possible, and no later than 20 working days following receipt. This can be extended to 40 working days when considering the public interest on an exemption (FOI) or if the information requested is 'complex and voluminous' (EIR).
- 4.7 The Council responded to 91% of FOI requests in 2015/16 within 20 working days. This performance was below the Council's corporate performance target, which is to respond to 100% of FOI requests within 20 working days. However, it represents a significant achievement in the context of the increasing numbers of requests received by the Council. It is also above the threshold set by the Information Commissioner's Office (ICO), which monitors the compliance of local authorities with FOI legislation. The ICO sets a threshold for intervening in authorities of less than 85% of requests responded to within 20 working days
- 4.8 As Figure 3 below shows, the Council's performance on FOI requests within 20 working days has been above the ICO threshold in 4 out of the last 5 years. Performance in 2014/15 (84%) dropped below the ICO threshold largely due to poor performance in Quarter 4, when 77% of requests were responded to on time.

**Figure 3 – Percentage of FOI responses responded to with 20 working days**



4.9 The average number of days taken by each service to respond to FOI requests ranges from 6.7 days to 19.2 days. No Council service averages more than 20 working days for FOI requests.

4.10 However, the proportion of requests which were responded to within 20 working days varied from 54.3% to 100% across Council services.

4.11 In some cases services may simply have missed deadlines due to oversight, but there may be a number of other reasons for services taking longer than 20 working days to respond to particular requests. These include:

- complex requests involving a high volume of information to be considered
- information having to be gathered and collated from a number of sources
- taking time to consider relevant exemptions for disclosure of parts or all of the information requested

4.12 It should also be noted that, although the time limit for responding to most requests is 20 working days, there are some circumstances where it is legitimate to respond to a request under FOI and EIR within 40 working days. Under both FOI and EIR legislation, if a request is being clarified with the applicant then these requests

should be placed 'on hold' and the time waiting for clarification should not count toward the overall processing time. The Council's current system for monitoring response times to requests does not allow us to capture this information, but the implementation of a new FOI case management software system will allow any days where a request was placed 'on hold' to be removed from the total days taken to respond to the request.

4.13 The Council has taken a number of steps in recent years to improve its performance in responding to FOI and EIR requests. Firstly, the Council is proactively publishing information and data that is frequently requested under FOI and EIR as part of wider work on open data and transparency (see paras 5.1 to 5.5 below).

4.14 Secondly, a range of training and resources have been provided for staff to raise awareness and understanding of the requirements of legislation. This includes:

- Detailed guidance for staff on FOI and EIR was published on CityNet (the Council's staff intranet) by the Corporate Strategy service in September 2013. The guidance is intended to increase the understanding of staff of the key issues and provide them with the resources to be more self-sufficient when responding to requests. The guidance provides advice on how to handle requests and which exemptions can be applied. It also includes standard response templates to improve consistency and to help reduce the time required for staff to draft responses.
- Corporate Strategy staff delivered a series of bite-size training sessions in FOI and EIR in February and March 2014. The courses were well attended, with 90 members of staff receiving training over 8 sessions.
- A further workshop on EIR was provided in 2016 for 17 staff in the Environment Department, in response to a request from the Director of Environment.
- An FOI module has been made available for staff on the council's e learning portal.
- Advice on handling FOI requests is included as part of a wider session on information governance and security at corporate induction, which is attended by all staff joining the Council. A total of 87 new members of staff attended corporate induction in 2015/16.

4.15 Finally, the Council is currently jointly procuring an FOI case management system with the 3C shared ICT service. The system will replace the Council's current approach for processing requests, which is based on an Access database and requires significant

officer time to log, allocate and track requests. The system is due to be implemented during autumn 2016. It is expected that the new system will improve the allocation, tracking and monitoring of requests through a range of functions, including:

- Sending automated acknowledgements when individuals submit a request for information
- Assigning requests to departmental coordinators and responding officers
- Automatically sending reminders to responding officers and central FOI staff at key stages in the request handling process.
- Providing officers with access to a range of templates to assist in drafting clear FOI responses
- Automatically publishing completed responses to the disclosure log on the Council's website
- Providing greater central administrative oversight of the progress of active requests
- Generating a range of performance data for managers, including reports on timeliness of requests, exemptions applied and other filters

## **5.0 Open data and transparency**

5.1 The Council is increasing the amount of information and data that it publishes proactively as part of its work on open data and transparency. There are a number of drivers for this work

- Ensuring that the work of the Council is transparent and increasing access to information about the Council's activities so that members of the public can hold the Council to account – this is one of the City Council's core values
- Meeting the requirements of the Local Government Transparency Code
- Meeting the publication scheme requirements of the Freedom of Information Act.

5.2 The Local Government Transparency Code 2014 was published by the Department of Communities and Local Government in May, with local authorities having until March 2015 to meet the requirements. This code requires local authorities to publish specific datasets under a number of categories of information, and update this information on a quarterly or annual basis (see Appendix A for details of all mandatory datasets).

- 5.3 Corporate Strategy has worked with services that hold the data to ensure all mandatory datasets are available now available, with the exception of procurement data on all contracts held by the Council with a value of £5000. It is not currently possible for the Council to publish this information, as individual services are responsible for procurement and contract activity, and the central procurement team only holds information on contracts with a much higher value than £5000. It is anticipated that the planned development of a new central procurement/contracts register will enable the Council to meet this transparency requirement.
- 5.4 The Council also publishes a range of datasets (see Appendix B for a full list) in response to the requirement in the FOI Act to have a publication scheme, including information on:
- What the Council does
  - What the Council spends and how it is spent
  - Priorities and performance
  - Inspection reports
  - Decision-making
  - Policies and procedures
  - Lists and registers
  - Services performed by the Council
- 5.5 In addition to the data that the Council is required to publish by the Transparency Code and the FOI Act, we have also identified data and information which is most frequently requested under FOI and EIR and published it voluntarily on the Council's website. The aim of this work is to reduce the amount of time taken to respond to FOI and EIR requests and the staff time taken up by responding to requests.
- 5.6 The two most frequently requested datasets in 2013/14 were:
- information held by the Council's Revenues and Benefits service relating to National Non-Domestic Rates, more commonly known as business rates. In 2013/14 the Council received 89 requests for this data, which represented 12.6% of all requests received that year.
  - Information held by the Bereavement Services regarding intestate deaths. In 2013/14 the Council received 55 requests for this, which represented 8% of all requests received in that year.
- 5.7 The Council now regularly publishes data relating to business rates and intestate deaths in a standardised format on the Open Data pages of the Council website. While the Council continues to receive



requests for this information, proactive publication has reduced the time taken to respond to these requests significantly, because requesters can be quickly directed to the information on the website, rather than staff having to generate the data in response to each request. Of the 97 requests received in relation to business rates in 2015/16, 62% were responded to by directing the requester to information published on the open data web pages.

- 5.8 It would not be practical for the Council to publish all the information requested under FOI on a proactive basis. The Council receives a wide range of requests for information, many of which are not repeated. When repeat requests do occur, it is not always possible to identify standardised datasets that could be easily released. However, where possible the Council continues to identify datasets that can be proactively published to meet public demand for information.
- 5.9 One of the most frequently requested datasets during 2015/16 was for CON 29 enquiries of the local authority, which provides details of a number of issues that are relevant to property transactions, including Planning and Building Regulation decisions, Road and Traffic schemes, and contaminated land. CON 29 searches accounted for approximately 10% of requests in 2015/16.
- 5.10 The Council does not currently charge for responding to such requests, which means that property purchasers can request this information from the Council free of charge as an alternative to paying for an official search from the local authority. During the course of 2016/17, the Council will be exploring the potential for a pricing schedule, which would allow it to charge requesters an admin fee for the information. It is anticipated that introducing charges for this information, as many other Councils do, could reduce the number of FOI requests and ensure that the Council is able to recoup some of the administrative costs of responding to the requests received.
- 5.11 The Council received £5,620 in New Burdens funding from the Department of Communities and Local Government to meet costs associated with implementing the Transparency Code. The funding will be used to commission Cambridgeshire County Council's Research Group to deliver:
- Training for Council staff on open data, data visualisation and infographics. The training will include a focus on ensuring that data is accurate and reliable, preparing data for publication, and

techniques for presenting data in an engaging and informative manner.

- Providing technical support to selected Council services to develop a number of open data case studies to demonstrate the benefits of publishing data.
- Providing hosted space for Council data on the Cambridgeshire Insight web portal. This will increase transparency by: allowing users to access City Council data alongside data from neighbouring authorities; making the data available more widely through the national data.gov.uk portal; and providing additional metadata about the datasets, which will improve the Open Data classification rating of our information.

5.12 Publication of open data in this way will also allow the Council, its partners, residents, researchers, app developers and others to derive new insights into the city, how our customers and residents are behaving and changing, their needs and preferences, in ways which may inform service delivery options going forward, and enable Cambridge to become more of a “smart city”.

## **CONSULTATIONS**

Senior managers have been consulted in the production of this report.

## **CONCLUSIONS**

The Council takes transparency issues seriously and is broadly compliant with the legislation. A number of measures have been put in place to increase the Council’s performance in these areas, and to reduce the risk of breaches in compliance with the legislation.

Officers will continue to review practice, learning from 3C ICT partners and others to strive to continually improve performance, serve residents better and reduce the council’s exposure to risk.

## **IMPLICATIONS**

### **(a) Financial Implications**

No decisions with financial implications are proposed in this report.

### **(b) Staffing Implications**

Staff will continue to be supported to understand and meet their obligations regarding transparency issues, including through the roll-out of the new Fol tracking software.

### **(c) Equality and Poverty Implications**

This report does not propose decisions with equalities impacts, so and EqlA has not been produced.

(d) **Environmental Implications**

No decisions with environmental implications are proposed in this report.

(e) **Procurement**

n/a

(f) **Consultation and communication**

As set in the body of the report, the need for vigilance and training on data protection and related matters has been communicated to managers and staff regularly.

(g) **Community Safety**

n/a

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

n/a

**APPENDICES**

<b>Appendix A</b>	Local Government Transparency Code Datasets (Mandatory)
<b>Appendix B</b>	Data already available through FOI Publication Scheme

The author and contact officer for queries on the report is Andrew Limb on extension 7004.

Report file:

Date originated: 02 September 2016

Date of last revision: 02 September 2016

**Appendix A: Local Government Transparency Code Datasets (Mandatory)**

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Information Title	Dataset	Frequency
Expenditure over £500	Details of each individual item of expenditure that exceeds £500	Quarterly
Government procurement card transactions	Details of every transaction on a Government Procurement card	Quarterly
Procurement information	Invitation to tender for contracts with a value over £5,000	Quarterly
	Details of any contract, commissioned activity, purchase order, framework agreement or other legally enforceable agreement with a value over £5,000	Quarterly
Local Authority Land	Publish details of all land and building assets	Annual
Grants to voluntary, community and social enterprise organisations	Grants to voluntary, community and social enterprise organisations, either through tagging transactions in the expenditure over £500 dataset or publishing as a separate list or register	Annual
Organisation chart	Organisation chart covering staff in top 3 levels of the organisation	Annual
Trade Union facility time	Number of union representatives, number or representatives devoting at least 50% of their time to union activities, trade unions represented in the local authority, estimate of spending on the unions as a percentage of total pay bill	Annual
Parking revenues	Revenue collected from on and off street parking, parking enforcement notices	Annual
Controlled parking spaces	Number of marked out controlled on and off street parking spaces	Annual
Senior salaries	Number of employees whose remuneration was at least £50,000, details of remuneration and job title of senior employees whose salary is at least £50,000, list of functions these staff are responsible for, budget held	Annual
Constitution	Constitution	Annual
Pay multiple	Pay multiple defined as ratio between highest paid salary and median salary of the workforce.	Annual

## **Appendix B – Data already available through FOI Publication Scheme**

### **What we do**

- Constitution
- Council and democratic structure
- Location and opening times of our offices
- Councillors information and contact details
- Election results
- Relationships and partnerships with other authorities

### **What we spend and how we spend it**

- Financial statements, budgets and variance reports
- Capital programme members allowance scheme
- Staff allowances, expenses pay and grading
- Election expenses
- Procurement
- District Auditors report
- Financial statements for projects and events
- Internal financial regulations
- Funding for our partnership arrangements

### **What our priorities are and how we are doing**

- Annual reports
- Strategies and business plans for services provided by the council
- Internal organisational performance reviews
- Strategies developed in partnership with other authorities
- Economic development action plan
- Forward Plan

### **Inspection reports**

- Statistical information provided by the Council
- Impact assessments service standards

### **How we make decisions**

- Timetable of committee and council meetings
- Agendas, minutes and reports
- Copies of agendas and decision notes
- Major policy proposals and decisions
- Copies of agendas and decision notices

- Public consultations and their outcomes
- Guidance and good practice notes for officers and councillors

## **Our policies and procedures**

- Policies and procedures for conducting council business
- Codes of governance, our constitution and the regulations that inform how we make policies.
- Policies and plans for delivering our services
- Recruitment and employment policies and procedures
- Customer service standards
- Housing and tenancy services, complaints procedure
- Personal data policies
- Data protection policies and our privacy statement
- Charging regimes and policies

## **Lists and registers**

- Public registers
- Details of the registers we hold as public records and how to access them.
- Asset registers
- Information on the assets we hold and how we manage them.
- Freedom of Information disclosure log
- Register of councillors' financial and other interests
- You will need to select the Councillor you are interested in

## **Services provided by the Council**

- A-Z of the services we provide
- Information for visitors to the area
- Services for local businesses
- Economic data, information and advice, planning guidance
- Leisure information
- What is on in and around Cambridge
- Newsletters
- Newsletters produced for city residents and tenants
- Advice and guidance
- Details of the advice and guidance we give to city residents
- Media releases



To: Civic Affairs Committee  
Report by: Andrew Limb, Head of Corporate Strategy  
Wards affected: All wards affected

## **Findings of the review into public participation in the Council's decision-making**

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### **1. Executive summary**

**1.1** The Member Working Group, set up and guided by the committee to review public involvement in the council's decision-making, found that levels of public participation were generally high and that the council continues to offer a wide range of high quality opportunities for local people to get involved in its decision-making. Whilst improvements to current practice can be made, overall it was found that the consultations carried out by the council were robust and to a good standard, enabling diverse groups of local people to have their say and engage with the council – informing and sharing in decision-making.

**1.2** The Working Group also found that improvements in current practice could be made and asked that awareness be raised about the existing opportunities to get involved and speak at meetings, that further use of social media in both promoting and reporting on meetings be investigated and that additional work is carried out to involve children and young people. Prior to this meeting Executive Councillors whose portfolios were affected by the "suggested" improvements were advised of them and invited to attend and give their views.

### **2. Recommendations**

**2.1** The Committee is recommended to accept the suggestions made by the Working Group, shown in the boxes in this paper, following their review and that Executive Councillors with responsibility for areas where the suggestions fall are asked to take them on board and arrange to move them forward.

### **3. Background**

**3.1** Civic Affairs Committee, when it met on 17 February 2016, agreed to set up a working group to look at public participant in the Council's decision-making, in response to a motion on public engagement considered at Council on 22 October 2015. Members of the working group, drawn from the committee, accepted the terms of reference provided by the committee.

**3.2** The terms of reference set out by the committee to guide the review were:

- i. To identify the current means by which the public engages with councillors and with the formal decision making processes of the Council (meetings of Full Council, scrutiny committees, regulatory committees and area committees and consultations on major policies) and, as far as possible, the resources used for each of those means;
- ii. To assess the impact of the current means of public engagement in decision making;
- iii. To review the costs and perceived impacts of different approaches to public engagement in decision making of comparable councils;
- iv. To report back to Civic Affairs with recommendations in September 2016.

**3.3** The Working Group, guided by its terms of reference, met on four occasions to consider the following aspects of public involvement in the council's decision-making:

- The ways the public can presently get involved in the formal decision-making of the council and become a part of the process and the resources used for each.
- The present engagement techniques utilised, their cost and an assessment of the success of each.
- The level of involvement of the public in our decision-making meetings, the duration of these meetings and the number of decisions taken in them.
- The learning gained from the "North Area Participation Pilot" including what local people thought about our decision-making process, the



initiatives that seemed to work well and some of the characteristics of leading “empowering” council’s at this time (2010).

- How the council currently engages with young people in decision-making meetings, supported by the council’s Children and Young People’s Participation Service.
- The council’s consultation policy and practice, including the council’s consultation code of practice and selected case studies showing how the council consults about complex issues, contested issues, involves stakeholders in the process and listen to divergent views.
- What other local authorities are currently doing to involve local people in their decision-making meetings.
- Feedback from councillors on current methods of public engagement in decision making, gathered through a short survey in late May 2016.

#### **4. Ways the public can presently get involved**

**4.1** The Working Group looked at ways that local people can presently get involved in formal decision-making meetings and found that the council continues to offer a wide range of high quality opportunities, including attending a meeting and asking a question, submitting a petition either online or on paper, taking part in a consultation sponsored by the decision-making body, engaging with a councillor, and becoming part of an advisory or decision-making body that promote engagement. The Working Group reviewed the resources used for each of those means, as far as possible.

**4.2** The Working Group found that generally the council’s public speaking rights worked well but that awareness of them should be raised, including the different standards are applied in different types of committee. The reasons for the different approaches should be more clearly set out and where the Chair has discretion to extend participation for local people attending meetings this should be made known.

**4.3** The Working Group recognised that for some people asking a public question is a fairly daunting prospect and that work should be carried out to make people feel more at ease, perhaps using the website, film clips and /or social media to show what they can expect at a meeting and how they can participate. It was also important that local people became aware of decisions taken at the earliest point practicable.

#### **4.4 The Working Group suggests\* that:**

- i. Public speaking rights at our decision-making meetings are promoted and a video clip prepared showing what people can expect when they attend a meeting to help “de-mystify” what will happen. Scope for Chairs’ discretion to be highlighted and promoted.
- ii. An assessment is made of the process for preparing and releasing minutes, including records of decisions taken, to determine if decisions can be released in a more timely way for more of the Council’s meetings, perhaps following a similar approach to that now taken for planning decisions which are made available the following day.
- iii. The Council continues to encourage local people to give feedback on their experiences of attending council decision-making meetings so that a current overview of attendees’ experience can be gained.

*\*The Leader and Executive member for Strategy and Transformation is responsible for the services that will deliver these suggestions.*

## **5. Present consultation and engagement policy and techniques**

**5.1** The Working Group looked at the range of consultation and engagement techniques that the council presently utilises and found that, on the whole, they enable diverse groups of local people to have their say about and help inform decisions that will be taken in decision-making meetings. These included public speaking at Council and committee meetings, open forums at area committees, user groups, the use of single issue meetings, public led meetings, online surveys, public presentations and displays, deliberative workshops, focus groups, mail shots, telephone surveys and informal conversations.

**5.2** The Working Group considered the council’s approach to consultation shown in its Code of Best Practice on Consultation and Community Engagement and its application in five case studies in varying situations.

**5.3** The Working Group found that the council’s current approach to consultation was robust, having considered the case studies, and whilst not perfect, has been able to incorporate a wide range of voices offering

different opinions in differing circumstances, which has helped inform the council's decision-making.

**5.4** The Working Group found that the council's Code of Best Practice on Consultation and Community Engagement needs to be updated to take into account changes in legislation and other guidance since it was last revised. The Working Group felt that this code of practice is important because it sets out the standards the council expects from consultations carried out on its behalf – so acts as a guide to both officer practitioners conducting consultations and what members of the public being consulted can expect – and should be promoted as a part the council's partnership work with others.

**5.5** The Working Group suggests\* that:

- i. The council's Consultation Code of Practice is updated to ensure it reflects recent changes in legislation and guidance. The Code, including proposed revisions, is shown in Appendix 1.
- ii. Awareness of the council's code of practice is raised with staff across the Council, emphasising that all consultations should be clear and concise and be in proportion to the nature and impact of the proposals.
- iii. The council's approach to consultation is promoted within the partnerships we are involved with to try and ensure high standards of consultation practice are implemented, accepting that we are one of a number of equal partners.

*\*The Leader and Executive member for Strategy and Transformation is responsible for the services that will deliver these suggestions.*

**5.6** The Working Group supported the approach that the technique selected will vary with the potential impact of the decision to be taken, the stakeholders who will need to be involved, the complexity of the issue, the time period over which the decision will be taken and the resources available. Members of the Working Group were clear that engagement should not be carried out for the sake of it and that any consultations should be in proportion to the decision to be taken and include questions in accessible language with minimal jargon.

**5.7 The Working Group suggests\* that:**

- i. The council continues to look at consultation techniques that will include “seldom heard” voices in its major consultations, so that our consultations can be inclusive of a wide range of views.

*\*The Leader and Executive member for Strategy and Transformation is responsible for the services that will deliver these suggestions.*

**6. The level of involvement in decision-making meetings**

**6.1** The Working Group looked at an analysis of just over 160 recent decision-making meetings to assess the level of involvement of local people, based on attendance at each meeting and the number of questions asked. The type of meeting, whether regulatory, scrutiny or area committee, and the issue under consideration influenced interest in the meeting and the nature of the engagement with the public.

**6.2** The Working Group found a high level of public involvement already existed with just over 2,400 public attendances in the decision-making meetings looked at during a two period and that nearly 650 questions were asked and that the level of public involvement appeared to be higher than that of comparable local authorities.

**6.3** The Working Group also found that area committees, especially open forums, were one of the important means of engagement for local people in the council’s decision-making and still attracted the largest numbers of local people to meetings with just over half of all public attendance and four fifths of all questions raised at them. The Working Group also felt that the learning from different areas should continue to be shared, e.g. through Area Committee Chairs’ informal briefings, so that best practice was available, however it was recognised that local members knew their communities and the form of engagement that worked best.

**6.4 The Working Group suggests\* that:**

- i. Best practice continues to be shared between area committee chairs and that regular meetings are offered to discuss community engagement initiatives.

*\*The Leader and Executive member for Strategy and Transformation is responsible for the services that will deliver these suggestions.*

## **7. Learning from previous work promoting participation**

**7.1** The Working Group discussed the learning gained from previous work to promote participation including that from the North Area Committee pilot. During the pilot local people both having attend a council meeting and those who had never come across a council meeting before were asked about what they thought about getting involved in the council's decision-making meetings.

**7.2** The Working Group heard that most people spoken to had said that it was good to know that the opportunity to participate in the council's decision-making meetings was there, if something came up that they wanted to express a view about, but ordinarily they wouldn't want to give up the time to attend a meeting. Those that had attended for the first time felt that meetings should be made to feel more informal and welcoming and that the rules of participation were unclear. Most said that they wanted to have their say when they got to a meeting and didn't want to listen at length to councillors.

**7.3** Local people also said, at this time, that the council's management of agenda should be improved, so people knew what to expect and when - so they can dip in and dip out of meetings depending on what they were interested in, and to ensure that meetings didn't go on too long. They thought that the meetings should be about more than just the people inside the room – engagement with the local communities should take place outside the room so that the committee can take on wider views than those of the people who can get to meetings.

**7.4** Young people said that council decision-making committee meetings weren't for them.

**7.5** The Working Group recognised that meetings were not for everyone and that elected members had a crucial role to play in representing the interests of people outside of the room, bringing their views into meetings. The use of other advocates or other community representatives also had an important role to play in ensuring a wide range of views were represented. Wider consultation and engagement also had its place in ensuring that the voice of groups of people with lower levels of influence or power could be heard.

**7.6** The Working Group agreed that it was usually the issue being considered at a decision-making meeting that was the key driver for increasing public involvement – so selecting the right issue or being flexible enough to respond to demand from local people to discuss an issue will raise participation in decision-making meetings. The Working Group felt that where resources and time permitted a useful vehicle for allowing larger

numbers of local people to get involved is the holding of special interest or public meetings.

**7.7** The Working Group agreed that good chairing of meetings in terms of getting the right balance between people having the opportunity to have their say and concluding business at a reasonable time is important but felt this could be challenging to achieve in practice at times when agendas contain complex items or when there are a large number of public questions.

**7.8** The Working Group wanted to continue to obtain feedback about what local people thought about their experiences at decision-making meetings, to improve future practice.

**7.9** The Working Group suggests\* that:

- iv. Appropriate support continues to be offered to Chairs of decision-making meetings, including suitable training, to ensure the difficult task of balancing public involvement and management of agenda is achieved.

*\*The Leader and Executive member for Strategy and Transformation is responsible for the services that will deliver these suggestions.*

## **8. Involving young people in decision-making meetings**

**8.1** The Working Group heard that one route of engagement with children and young people in the council's decision-making is currently through area committees, and that this is an important element of the work of the Children's Engagement post in the council's Children and Young People's Participation Service (ChYpPS). This post was put in place because it was felt that children and young people required additional support to put forward their views about local issues.

**8.2** ChYpPS has used a variety of techniques to collect the views of children and young people over the past year, including face-to-face conversations, questionnaires and video diaries to enable a wide range of children to be consulted. Feedback has been gathered on a large scale (Cambridge Children's Survey) and through more focused feedback (Agenda Days).

**8.3** The Working Group found that the approach to involving children and young people in its decision-making should be meaningful. The Working Group felt that participation was not solely about the act of expressing an

opinion and having that opinion taken seriously, but of being able to construct an opinion freely through accessing information and talking to others. It was recognised that local schools had a significant role to play and that the council should look at ways of involving local schools in local democracy initiatives, subject to resources and the capacity of local schools to engage, and through Mayoral events and the use of the Council Chamber for debating activity, perhaps associated with School Councils.

**8.4** The Children's Commissioner's Takeover Challenge is an engagement project which sees organisations across England opening their doors to children and young people to take over adult roles. It puts children and young people in decision-making positions and encourages organisations and businesses to hear their views. Children gain an insight into the adult world and organisations benefit from a fresh perspective about their work. This year Takeover Day will be held on 18 November and offers an opportunity for the council to get involved.

**8.5** The Working Group also found that some area committees had learnt to be more flexible in their agenda management to accommodate children and young people that wanted to share their views, so that they were given the opportunity to speak at the very beginning of meetings as part of a dedicated item, in a supportive atmosphere. This way they did not have to sit through other business that was not relevant to them and that they did not face the prospect of interruption by other competing speakers.

**8.6** The Working Group suggests\* that:

- i. Local secondary schools are invited to get involved in council local democracy initiatives, such as "Meet the Mayor" events held in the Council Chamber.
- ii. A project proposal is developed, to give young people an insight into local democracy, and to hear the views of children and young people as part of national "Take Over Day" on 18 November 2016.

*\*The Executive member for Communities is responsible for the services that will deliver these suggestions.*

## **9. What other local authorities are currently doing**

**9.1** The Working Group looked at the approaches taken by eight other local authorities to public involvement in their decision-making meetings. Three of the local authorities, Colchester, Suffolk Coastal and Derbyshire Dales were nominated by the Local Government Association as examples of good community engagement practice.

**9.2** The Working Group found that all offered similar engagement methods for local people in decision-making meetings to Cambridge City council but that their arrangements were shaped by the way the local authorities took their decisions, e.g. from strong Leader to committee arrangements, and the constitutions that supported these.

**9.3** The Working Group found that the LGA nominated local authorities packaged their disparate approaches into community engagement policies or strategies, so that their methods of engagement are shown in one place. These formed a more comprehensive guide incorporating the principles of engagement and how local people can get involved and is an approach the council should look to adopt.

**9.4** The Working Group also felt that the council should explore using its social media channels more to promote public involvement in decision-making meetings and investigate if the “live-streaming” of some meetings can take place, in the context of present ICT infrastructure, officer capacity and other resource constraints.

**9.5** The Working Group suggests\* that:

- i. A web page that brings together the different ways that people can engage with us and have their voice heard, into a single place is prepared.
- ii. The Council explores ways to promote the present Youtube video clip of Full Council meetings and explore the possibility to “embed” the video clip for each meeting alongside the minutes within the Modern Gov. pages.
- iii. Explore the viability of “live-streaming” video of Full Council meetings and to trial this if it can be achieved with the constraints of our current set up, AV provision, other technical constraints and officer capacity.
- iv. Investigate the potential for upgrading the present audio-visual system in the Council Chamber and to provide an assessment of the costs and benefits of upgrade options.
- v. Look at ways that our social media channels could be used to better promote public involvement in our decision-making meetings.

*\*The Leader and Executive member for Strategy and Transformation is responsible for the services that will deliver these suggestions.*



## **10. Feedback from councillors on current methods of public engagement**

**10.1** The Working Group noted the findings of an online survey of council members, conducted in early June, who were asked to give their views about the council's current methods of engagement, what aspects of this could be improved and to highlight any examples of good practice they were aware of. Ten council members took part in the survey.

**10.2** The Working Group heard that the council members who participated in the survey felt that area committee community forums were the most effective ways for local people to get their voice heard and that special interest meetings offered a more focussed opportunity to get involved.

## **11. Implications**

### **(a) Financial Implications**

The "suggestions" of the Working Group can be accommodated within existing resources. Where additional resources may be required following an investigation into the feasibility of taking a proposal forward, such as an improved audio-visual system for the Council Chamber, the Executive Councillor with responsibility for the area will be asked to give approval through the usual budget-setting and capital processes.

### **(b) Staffing Implications**

Members and officers may be required to amend some of their present consultation and working practices to accommodate the findings from this review.

### **(c) Equality and Poverty Implications**

It is important that voices from all sections of Cambridge's population, including those that are seldom heard, can be brought into the council's decision-making meetings and form a part of its consultations to help inform and shape the council's work. Seeking the views of people with protected characteristics is integral to the preparation of an EqIA. Good stakeholder analysis at the start of a consultation, including identifying the views of people with a high interest but low influence, will contribute to the preparation of an EqIA.

### **(d) Environmental Implications**

There are no environmental implications arising from this paper.

### **(e) Procurement**

There are no procurement implications arising from this paper.

(f) **Consultation and communication**

This paper reviews the council's consultation code of practice. The findings of the review and actions that arise will include the communication of findings to officers involved in managing consultations.

(g) **Community Safety**

There no community safety implications arising from this paper.

## **12. Background papers**

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

Report to Civic Affairs Committee on 17/02/16, Terms of Reference for Review of Democratic Involvement

Reports provided to the Member Working Group at its meetings on: 20/04/16, 6/06/16, 17/06/16 and 19/07/16.

## **6. Appendices**

Appendix 1 – Code of Best Practice on Consultation & Community Engagement showing suggested amendments.

## **7. Inspection of papers**

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

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## **CODE OF BEST PRACTICE ON CONSULTATION AND COMMUNITY ENGAGEMENT**

### **1. Purpose**

1.1 Understanding the needs of our communities and residents is essential to sound decision-making and the provision of efficient and effective public services. Consultation and community engagement can increase our understanding of community needs.

1.2 This code of practice aims to establish clear principles to guide council officers and help ensure a more structured, proportionate and appropriate approach to our consultations.

### **2. What is Community Engagement?**

2.1 Community engagement is the active participation of our local residents and community groups in the decisions that affect their lives. These decisions may include issues related to the improvement, delivery and evaluation of services. They can also be about giving our residents a voice both as individuals within their communities and by building sustainable and empowered community groups.

2.2 Community engagement is about listening and learning, engaging in meaningful dialogue with our residents and community groups, including those people who are already using our services and those who are not.

2.3 It is an opportunity to find out what is important to them and to explore more fully why they feel the way they do about their lives, their neighbourhood, their local area, their city.

### **3. What is Consultation?**

3.1 Consultation is the process by which the Council will seek advice, information and opinions about strategies, policies and services to inform our decision-making and help design good services.

3.2 Consultation may include, for example, surveys, questionnaires, focus groups, public meetings, user and resident forums - different techniques will be appropriate in different circumstances. Consultation is a key process in community engagement.

#### **4. Why does Community Engagement matter?**

4.1 Establishing effective working relationships between the Council and its residents and local community groups will ensure that the aspirations and needs of local people are understood and, where possible, acted upon.

4.2 Strengthened relationships with the Council and its partners may also lead to an increase in local citizen activity and active democracy, building a sense of civic responsibility in those who get involved.

4.3 Effective community engagement and consultation can help ensure the Council is providing the services that residents really need, in the way that residents want to access them. It can help inform investment and spending decisions to help make sure services and scarce resources are targeted most effectively where need and demand exist.

#### **5. The Duty to Consult**

5.1 Statutory guidance on the Duty of Best Value states that authorities are under a Duty to Consult representatives of a wide range of local persons when reviewing service provision; this is not optional. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority, and those appearing to the authority to have an interest in any area within which the authority carries out functions.

The Cabinet Office has published a revised set of its consultation principles that are consistent with the approach being taken to consultation by the council. They emphasise that consultations should not be carried for the sake of it. They should have a purpose, be informative and part of a process of engagement.

## **6. Statement of Community Involvement**

6.1 The Planning and Compulsory Purchase Act 2004 (as amended by Localism Act 2011) made it a requirement for local authorities to prepare a Statement of Community Involvement. The council introduced its revised 'Statement of Community Involvement' in 2013.

6.2 This Code of Practice is intended to complement and not override this statement of community involvement or the legal requirements to consult on planning policies and applications, or any other statutorily determined consultation processes and requirements, for instance those relating to the Council's tenants and its housing and planning functions.

## **7. The Cambridgeshire Compact**

7.1 In February 2007 the City Council signed up to the Cambridgeshire Compact. This is a partnership agreement between statutory bodies and the voluntary and community sector designed to improve relationships and set a framework for effective consultation, representation and partnership working. This Code of Practice is intended to complement and not override the Compact.

## **8. The Council's Vision**

8.1 The Council has a clear vision to lead a united city, 'One Cambridge - Fair for All', in which economic dynamism and prosperity are combined with social justice and equality. It is a vision we will share and develop, working with our citizens and partner organisations. In particular the following part of our vision relates to consultation and engagement:

- *A city in which all citizens feel that they are listened to and have the opportunity to influence public decision making, and which values, supports and responds to individual and community initiatives.*

8.2 More effective consultation and community engagement is one important strand of the Council's ambitions to be transparent and accountable to Cambridge's residents.

**9. Guiding principles for undertaking Consultation and Community Engagement**

9.1 In conducting consultation and engaging with the community the City Council will focus on openness; accessibility and inclusiveness; and transparency and accountability. The City Council will:

### **Openness**

- be clear about which issues/decisions/actions are already decided and which are open to consultation and debate (and on which we are therefore seeking residents', community groups' and other stakeholders' views).
- be clear at the outset about how and when residents and community groups can get involved and make their views known; how their views and involvement will be used; and (wherever possible) how the decision will be made, when and by whom
- engage residents and community groups sufficiently early in the decision-making process to enable their views to genuinely inform the final decision, wherever possible

### **Accountability**

- provide a named contact person for further information
- ensure that all councillors are notified of all major consultations, and that ward councillors, as representatives of their communities, are advised of any consultation or community engagement activities that affect their wards
- work jointly with our partner organisations to undertake consultation and community engagement activities when this

is the most appropriate and efficient way of using collective resources

### **Accessibility and inclusiveness**

use plain English, avoid acronyms and limit the number of questions and the length of documents to what is absolutely necessary.

- vii. ensure that all our residents and community groups have the opportunity to take part in our consultation and community engagement activities regardless of age, gender, gender reassignment, disability, ethnicity, race, religion or belief or sexual orientation
- viii. listen to, learn from, respect and value the views of all participants
- ix. make paper copies of consultation documents available at council buildings and not rely solely on electronic methods of consulting and reporting consultation results
- x. ensure that the venues used for consultation and community engagement activities are accessible to all who wish to participate
- xi. ensure that the times when consultation and community engagement activities take place and the time given to respond to consultation are reasonable and appropriate
- xii. use appropriate consultation and community engagement methods, including electronic methods where appropriate, according to the issues being addressed and the nature of the consultee group, **following best practice** We will pay particular attention to methods likely to engage vulnerable and socially excluded residents or groups where those groups are potentially affected by decisions.
- xiii. aim for our consultation and community engagement to be participant-driven whenever possible

### **Transparency**

- xiv. be able to explain why consultation was undertaken in a certain way (or not undertaken), making this clear for instance in committee reports where appropriate.

- xv. support Council staff involved in planning and running consultation and community events to develop the appropriate skills to do so effectively
- xvi. ensure that information provided to support community engagement in decision-making is clear, accessible and sufficient to tell people what they need to know, promoting consultations through press notices, the Council's website and other media as appropriate.
- xvii. publish a summary of consultation responses received and explain how these responses have been used in informing the final decision (and if not, why not) as far as possible.
- xviii. ensure that feedback is available to participants on the results of their involvement and the decisions made and keep them informed of progress in implementing the decisions

9.2 In certain circumstances it may not be appropriate for the City Council to undertake consultation or community engagement activities. Such circumstances include:

- if the decision(s) has actually already been made
- if the decision(s) relate to things that the law requires that the Council does in a particular way (i.e. where the Council has no choice on whether / how something is done)
- if the Council needs to make decisions very quickly and does not have time for consultation and engagement
- if limited resources mean that the Council has little or no option about a decision or course of action
- if the size or nature of the decision is such that consultation or community engagement would not be cost effective, proportionate or reasonable
- if the Council's purpose is simply to convey information and it is not seeking a response.



9.3 The Council will make it clear why it is not consulting in any circumstances where it might decide it would not be proportionate or appropriate to consult widely on decisions with a significant impact on residents.

## **10. Reviewing the Implementation of the Code of Practice**

10.1 The Council reviewed the impact and content of this Code of Practice after one year of operation, in consultation with Ward Councillors, council staff, partner organisations and residents and community groups. It was found to be working well. Further reviews will be carried out as appropriate.

## **11. For Further Information**

Cambridge City Council's Consultations

<https://www.cambridge.gov.uk/consultations>

Cambridge City Council's Vision and Annual Statement 2015/16

<https://www.cambridge.gov.uk/vision-statement>

Cambridge City Council's Statement of Community Involvement

<https://www.cambridge.gov.uk/statement-of-community-involvement>

Best Value Statutory Guidance, DCLG, September 2011,

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**Published June 2011 and revised May 2016**

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## CAMBRIDGE CITY COUNCIL

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REPORT OF: Head of Finance

TO: Civic Affairs Committee

14/09/2016

WARDS: None directly affected

### **APPOINTING PERSON ARRANGMENTS FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR**

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#### **1 INTRODUCTION**

- 1.1 This report sets out the options available to the council regarding the adoption of an appointing person arrangement for the appointment of an external auditor for 2018/19 and later years.

#### **2. RECOMMENDATIONS**

- 2.1 To recommend to council the adoption of Public Sector Audit Appointments Ltd (PSAA) as the appointing person for the council, subject to receiving a satisfactory invitation to opt into the PSAA's appointing person arrangements.
- 2.2 To delegate acceptance of the invitation to the Head of Finance, as the council's Section 151 Officer.

#### **3. BACKGROUND**

- 3.1 The Audit Commission closed in March 2015. The council's current auditor appointment was made under audit contracts previously let by the Audit Commission and now managed by PSAA under transitional arrangements. These audit contracts will end with the completion of the 2017/18 audit.
- 3.2 A new appointing person arrangement is required, so that the appointment of an external auditor for the accounts of 2018/19 and later years can be made.

#### 4. **OPTIONS FOR THE APPOINTING PERSON ARRANGEMENT**

4.1 New appointments for the 2018/19 accounts must be made under the provisions of the Local Audit and Accountability Act 2014 and confirmed by 31 December 2017. There are three options available to the council for appointing an auditor. These are:

- Option 1 - To undertake an individual auditor procurement and appointment exercise;
- Option 2 - To undertake a joint audit procurement and appointing exercise with other bodies, those in the same locality for example; or
- Option 3 - To join a 'sector led body' arrangement where specified appointing person status has been achieved under the relevant Regulations.

4.2 For the first two options, the legislation requires an auditor panel to be established. Requirements include:

- At least three members, two of which must be independent
- A majority of independent members
- An independent chairperson

4.3 The council could set up its own auditor panel; set up a panel with one or more other authorities; use an existing committee or sub-committee, provided that the requirements above are met; or ask another authority's panel carry out the functions of an auditor panel on its behalf.

4.4 Guidance on auditor panels has been issued by CIPFA for local government bodies. The guidance includes a table of advantages and disadvantages of the different ways an auditor panel could be set up. The table is reproduced at Appendix A for information.

4.5 Option 3 requires the Secretary of State for Communities and Local Government to specify a person to appoint a local auditor to opted-in authorities (also known as a sector-led body).

4.6 PSAA is an independent company limited by guarantee incorporated by the Local Government Association in August 2014. In July 2016, the Secretary of State for Communities and Local Government specified PSAA as an appointing person under regulation 3 of the

Local Audit (Appointing Person) Regulations 2015. This means that PSAA can make auditor appointments for audits of the accounts from 2018/19 of principal authorities that choose to opt into its arrangements.

- 4.7 More than 200 authorities have indicated their interest in the PSAA's scheme, which is currently being designed to reflect authorities' needs and views. The scheme will be an authorised national scheme which will take full responsibility for local auditor appointments and aim to ensure a high quality professional service and value for money.
- 4.8 The PSAA intends that the scheme will save time and resources for councils and avoid the necessity to establish an auditor panel and manage their own auditor procurement. Assuming a high level of participation, the scheme should be able to attract the best audit suppliers and command competitive prices.
- 4.9 Moreover, the scheme will aim to appoint the same auditors to bodies which are involved in formal collaborations and joint working initiatives. The council's shared service partners, South Cambridgeshire District Council and Huntingdonshire District Council have expressed interest in the scheme and are taking reports through their autumn committee cycles to enable them to accept the PSAA's opting-in invitation when received.
- 4.10 Based on the information presented, option 3 is recommended.
- 4.11 We expect that invitations to opt in will be issued before December 2016, with at least eight weeks being given in which to respond. The PSAA aim to award contracts to audit firms by June 2017, giving six months to consult on appointments with authorities before the 31 December 2017 deadline.
- 4.12 The Local Audit (Appointing Person) Regulations 2015 require that the council may only make the decision to opt into the appointing person arrangement by the members of the council meeting as a whole. This report therefore asks the Civic Affairs Committee to recommend to full Council that the PSAA's invitation is accepted.

## 5. **IMPLICATIONS**

- (a) **Financial Implications** Included in the report above
- (b) **Staffing Implications** None

(c) **Equality & Poverty Implications** None

(d) **Environmental Implications** None

(e) **Procurement**

Acceptance of the PSAA opt-in invitation will avoid the need to undertake a procurement exercise, while ensuring that the council's obligations are met.

(f) **Consultation and communication** None

(g) **Community Safety** None

**BACKGROUND PAPERS:** None

- ***Appendix A – Advantages and disadvantages of the different ways an auditor panel could be set up***

The author and contact officer for queries on the report is Caroline Ryba, on extension 8134.

## APPENDIX A – ADVANTAGES AND DISADVANTAGES OF THE DIFFERENT WAYS AN AUDITOR PANEL COULD BE SET UP

Option	Possible advantages	Possible disadvantages
Set up own separate and individual panel to oversee separate and individual procurement	<ul style="list-style-type: none"> <li>• Full ownership of the process</li> <li>• Fully bespoke contract with the auditor</li> <li>• Tendering process more based on local circumstances (within EU procurement rules)</li> </ul>	<ul style="list-style-type: none"> <li>• May experience difficulties in appointing majority independent panel members and independent panel chair</li> <li>• Will need to ensure that panel members are suitably qualified to understand and participate in the panel's functions</li> <li>• Will have to cover panel expenses completely</li> <li>• May not be able to procure at a lower cost, eg depending on authority location, risk of limited provider choice and a single authority contract may be less attractive to some providers</li> <li>• Will not achieve economies of scale</li> </ul>
Set up a panel jointly with other authority / authorities as part of a procurement exercise for joint contract covering more than one authority or multiple separate contracts	<ul style="list-style-type: none"> <li>• Less administration than a sole auditor panel</li> <li>• Will be able to share administration expenses</li> <li>• May be easier to attract suitable panel members</li> </ul> <p>If procuring a joint audit contract:</p> <ul style="list-style-type: none"> <li>• May still be a relatively tailored process</li> <li>• May be able to achieve some economies of scale</li> </ul> <p>If procuring separate audit contracts:</p> <ul style="list-style-type: none"> <li>• An opportunity for fully bespoke contracts with the auditor if the group of authorities can agree</li> </ul>	<p>If procuring a joint audit contract:</p> <ul style="list-style-type: none"> <li>• May need to compromise on arrangements or auditor contract</li> <li>• May not end up with first choice of auditor, compared to an individual auditor panel. If a large group of authorities work together and decide to appoint one joint audit contract across all authorities, a joint panel may be more likely to advise appointment of an auditor it considers suitable for all authorities taken together</li> <li>• Need to agree appointment of members across multiple authorities and set up a joint decision-making process</li> </ul>
Use existing committee or sub-committee	<ul style="list-style-type: none"> <li>• Existing administrative structure in place</li> <li>• Existing (sub) committee should already have a better basic understanding of the authority's objectives and requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Possible need to appoint new (sub) committee members to comply with independence regulations</li> </ul>
Use another authority's panel	<ul style="list-style-type: none"> <li>• Will not have to set up an auditor panel</li> <li>• Arguably most independent options for the authority using the host authority's panel</li> </ul>	<ul style="list-style-type: none"> <li>• The panel may not understand the specific needs of the authority</li> <li>• May need a formal arrangement with the other authority</li> <li>• May be difficult to find an authority willing to enter into such an arrangement</li> <li>• May be more difficult to ensure adequate liaison with authority's own audit committee</li> </ul>

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## CAMBRIDGE CITY COUNCIL

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REPORT OF: Democratic Services Manager

TO: Civic Affairs Committee

14/09/2016

WARDS: None directly affected

### **MUNICIPAL YEAR 2017/18**

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#### **1 INTRODUCTION**

The report seeks comments on the Council's meeting calendar for the Municipal Year 2017/18.

#### **2. RECOMMENDATIONS**

- i) To comment on the meetings calendar 2017/18 and delegate final approval to the Chief Executive in consultation with Group Leaders no later than 31 September 2016.

#### **3. BACKGROUND**

- 3.1 This committee currently sets the forward programme of dates for the Council and committee meetings, following consultation with Leaders of all party groups. Area Committees agree their own dates. The proposed calendar respects conventions of avoiding school holidays and political party conferences where possible. Where known the Council has also tried to avoid clashes with meetings at the County Council and South Cambs District Council.
- 3.2 The calendar reflects a similar pattern to 2016/17. Refinements were agreed to the 2016/17 calendar which aimed to reduce the number of Area Committee meetings in the calendar year to 4 meetings per Area Committee (special meetings may still be called if necessary).

#### **4. CONSULTATIONS**

Officers in Finance have been consulted to make sure that the current schedule of Civic Affairs meetings ensures that the accounts can be reviewed and approved within the designated time periods.

## 5. **OPTIONS**

The Committee can suggest alternatives to the calendar proposed.

## 6. **IMPLICATIONS**

- (a) **Financial Implications** n/a
- (b) **Staffing Implications** n/a
- (c) **Equality and Poverty Implications**

The calendar spreads the meetings across the days of the week (Monday-Thursday) and the hours of the day. There are more meetings in the late afternoon/evening to suit councillor preferences.

- (d) **Environmental Implications**
- (e) **Procurement**
- (f) **Consultation and communication**
- (g) **Community Safety**

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report: None

The author and contact officer for queries on the report is [Gary.Clift@cambridge.gov.uk](mailto:Gary.Clift@cambridge.gov.uk) 01223 457011.

Date originated: 02 September 2016  
Date of last revision: 02 September 2016

# Cambridge City Council - Meeting Card - 2017/2018

2017												2018																																																
May			Jun			July			Aug			Sep			Oct			Nov			Dec			Jan			Feb			Mar			Apr			May																								
Sat						1																				Sat															1										Sat									
Sun						2																									Sun															2										Sun				
Mon	1	Bank holiday						3		5:00pm Strat &Res														Mon		1		New Year								2		Bank holiday				Mon																		
Tue	2							4				1												Tue		2										3		1				Tue																		
Wed	3							5		10:00am Planning		2		10am Planning								1		10am Planning										4		10:00am Planning		2				Wed																		
Thur	4	Elections				1		4:30pm DPSSC		6				3						5		17:00pm Comm Services		2						1		North		5		3		Election		Thur																				
Fri	5			2		7				4				1				6		3		1		Fri		5		2		2		6		4		4		Fri																						
Sat	6			3		8				5		2		7		4		2		Sat		6		3		3		7		5		Sat		5		Sat																								
Sun	7			4		9				6		3		8		5		3		Sun		7		4		4		8		6		Sun		6		Sun																								
Mon	8			5		10		10:00am Licensing A *		7		10:00am Licensing C *		4		10:00am Licensing A *		9		10:00am Licersing C *		5:00pm Strat & Res		6		10:00am Licensing A *		4		10:00am Licensing C *		Mon		8		10:00am Licersing A *		5		5		10:00am Licensing A *		9		10:00am Licensing C*		7		Bank holiday		Mon								
Tue	9			6		11				8				5		5:30pm JSEF		10		7		5		4:30pm DPSSC		Tue		9		5:30pm Housing		6		5:30pm JSEF		6		5:30pm Housing		8				Tue																
Wed	10	10:00am DCF Planning**		7		Planning 4pm - Jnt Asses		12		10:00am DCF Planning**		9		10:00am DCF Planning **		6		10am DCF Planning**		11		10:00am DCF Planning**		8		10:00am DCF Planning **		6		10am Planning		Wed		10		10am Planning		7		10:00am Planning		11		10:00am DCF Planning **		9		10:00am DCF Planning **		Wed										
Thur	11			8		13		6:00pm Council		10				7				12		9				7		Thur		11				8		12:00pm CLHP		12				10				10		Thur														
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Mon	15	10am Licensing A * 6:00pm Civic Affairs		12		10am Licensing C* 4:00pm Equalities Panel		17				11				16		10:00am Full Licensing		13				11		Mon		15		12		10am Licensing C 5:00pm Strat &Res		12				16		10:00am Licensing A * 6:00pm Civic Affairs		14		Mon																
Tue	16			13				18				15				12		4:30pm DPSSC		17				12		Tue		16		5:30pm Environment		13		5:30pm Environment		17		5:30pm JSEF		15				Tue																
Wed	17	10:30am Jnt Dev Control		14		10:00am DCF Planning**		19		10:30am Jnt Dev Control		16		10:30am Jnt Dev Control		13		JDCC 4pm -Jnt Asses 6:00pm Civic Affairs		18		10:30am Jnt Dev Control		15		10:30am Jnt Dev Control		13		10:00am Jnt Dev Control		14		10:30am Jnt Dev Control		18		10:30am Jnt Dev Control		16		10:30am Jnt Dev Control		Wed																
Thur	18			15		City Ex Board		20				17				14		12:00 CLHP		19		6:00pm Council		16		12:00pm CHLP		14		North		Thur		18				15				19		6:00pm Council		17				Thur										
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Sun	21			18				23				20				17				22				17		Sun		21		18		18		22				20				20		Sun																
Mon	22	10:00am Licensing B *		19				24		10:00am Full Licensing		21		10:00am Licersing D *		18		10:00am Licensing B *		23				20		10:00am Licensing B *		18		10:00am Licensing D *		Mon		22		10:00am Licensing B *		19		10:00am Full Licensing 5:00pm Strat & Res		19		10:00am Full Licensing 5:00pm Strat & Res		23		10:00am Licensing D*		21		10:00am Licensing B *		Mon						
Tue	23			20		5:30pm Housing		25				22				19				24				19		Tue		23				20				24				22						Tue														
Wed	24			21		10:30amJnt Dev Control		26		4pm: City Ex B		23				20				25				20		Wed		24		10:30am Jnt Dev Control		21		10am DCF		21				25		10am Planning		23				Wed												
Thur	25	11am Council		22				27		4:30pm DPSSC		24				21		5:30pm Housing 4:00pm City Ex B		26				23		Thur		25		6:00pm Executive		22		6:00pm Council		22				24		11.00am Annual Council		Thur																
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