



Cambridge City Council
Strategy and Resources Scrutiny Committee

Date: Monday, 19 March 2018

Time: 5.00 pm

Venue: Committee Room 1 & 2, The Guildhall, Market Square, Cambridge, CB2 3QJ

Contact: democratic.services@cambridge.gov.uk, tel:01223 457013

Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes of the Previous Meeting (Pages 5 - 24)
- 4 Public Questions

Decisions for the Executive Councillor for Finance and Resources

- 5 Discretionary Housing Payment Update (Pages 25 - 30)
- 6 Shared Services 2018/19 Business Plans (Pages 31 - 36)
- 6a 3C Legal Service 2018/19 Business Plan (Pages 37 - 56)
- 6b 3C ICT 2018/19 Business Plan (Pages 57 - 80)
- 6c Shared Internal Audit Service - 2018/19 Business Plan (Pages 81 - 102)

Decisions of the Executive Councillor for Strategy and Transformation

- 7 Annual Update on the Work of our Strategic Partnerships - S&T Portfolio (Pages 103 - 122)
- 8 Cambridge Northern Fringe East (Pages 123 - 146)
- 9 Combined Authority update (Pages 147 - 164)
- 10 Strategic Development of Park Street Car Park

The Appendix to this report contains exempt information during which the public is likely to be excluded from the meeting subject to

determination by the Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Report to follow.

11 Housing Investment Programme Proposal

A key decision by the Executive Councillor for Strategy & Transformation is required which has not been on the Forward Plan giving 28 days notice of that decision. Under the Constitution, Part 4B-Access to Information Procedure Rules, this decision can still be taken if a notice is given setting out the reasons why compliance with the publicity requirement is impractical.

The reason that this decision cannot wait until 28 days notice has passed is that a decision is needed on 19 March, as explained in the officer report the timing is very relevant and therefore cannot wait until 28 days has elapsed.

This report and its appendices contain exempt information during which the public is likely to be excluded from the meeting subject to determination by the Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Report to follow.

Strategy and Resources Scrutiny Committee Members: Barnett (Chair), Baigent (Vice-Chair), Bick, Cantrill, Sarris and Sinnott

Alternates: Abbott, Avery and Sargeant

Executive Councillors: Herbert (Executive Councillor for Strategy and Transformation) and Robertson (Executive Councillor for Finance and Resources)

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE 22 January 2018
5.00 - 6.30 pm

Present: Councillors Abbott, Barnett (Chair), Baigent (Vice-Chair), Bick, Cantrill and Sinnott

Executive Councillors: Herbert and Robertson

Officers:

Chief Executive: Antoinette Jackson

Strategic Director: Fiona Bryant

Strategic Director: Suzanne McBride

Head of Legal: Tom Lewis

Head of Revenues and Benefits: Alison Cole

Benefits Manager: Naomi Armstrong

Head of Finance: Caroline Ryba

Head of Property Services: Dave Prinsep

Culture and Community Manager: Jane Wilson

Committee Manager: Emily Watts

FOR THE INFORMATION OF THE COUNCIL

18/1/SR Apologies for Absence

Apologies were received from Councillor Sarris. Councillor Abbott attended as an alternate.

Councillor Sinnott arrived after item 18/06/SR

18/2/SR Declarations of Interest

No declarations of interest were made.

18/3/SR Minutes of the Previous Meeting

The minutes of the meeting held on 9 October and 13 November 2017 were approved as a correct record and signed by the Chair.

18/4/SR Public Questions

There were no public questions.

18/5/SR S&T Portfolio Revenue and Capital Budget Proposals for 2018/19 to 2022/23**Matter for Decision**

The report outlined details of the budget proposals relating to this portfolio that were included in the Budget-Setting Report (BSR) 2018/19 which would be considered at the following meetings:

Date	Committee	Comments
22 January 2018	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
25 January 2018	The Executive	Budget amendment may be presented
12 February 2018	Strategy & Resources	Consider any further amendments including opposition proposals
22 February 2018	Council	Approves General Fund Budget and sets Council Tax

Decision of Executive Councillor for Strategy and Transformation:**Review of Charges:**

- a) Approved the proposed charges for this portfolio's services and facilities, as shown in Appendix A to this report.

Revenue:

- b) Considered the revenue budget proposals as shown in Appendix B.

Capital:

- c) Considered the capital budget proposals as shown in Appendix C.
- d) Adjusted capital funding for item 2 (c).

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

The Committee made the following comments in response to the report:

- i. Sought clarification regarding revenue proposal B4037, asked why the work was previously funded by the PCC.
- ii. Referred to revenue proposal B4040 and asked why the base level of the Cambridge Weighting budget didn't decrease as expected.
- iii. Referred to revenue proposal C4041 and raised concern over the amount of CCTV cameras that were beyond repair. Queried whether a number of the cameras had been replaced when the Shared Service with Huntingdonshire District Council was initiated.

The Strategic Director and Head of Finance said the following in response to Members' questions:

- i. Referred to revenue proposal B4037 and confirmed that the funding was a composite of many different initiatives, one of which was PCC which was no longer available. Last year's funding was part of a 1 year bid pending a review of the service which had since been undertaken.
- ii. Referred to revenue proposal B4040 and confirmed that pay parity increased with inflation. If more posts were on pay band 1 and 2 the figure would increase. The figures would balance out in the future, we would also be required to move the pay scales.
- iii. Confirmed that a survey of CCTV cameras had been undertaken, some had issues and due to their age it was felt prudent to replace them all to ensure quality and reliability. The future approach would allow for a programme of maintenance.

The Committee resolved by 3 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/6/SR F&R Portfolio Revenue and Capital Budget Proposals for 2018/19 to 2022/23

Matter for Decision

The report detailed the budget proposals relating to this portfolio which were included in the Budget-Setting Report (BSR) 2018/19 which would be considered at the following meetings:

Date	Committee	Comments
22 January 2018	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
25 January 2018	The Executive	Budget amendment may be presented
12 February 2018	Strategy & Resources	Consider any further amendments including opposition proposals
22 February 2018	Council	Approves General Fund Budget and sets Council Tax

Decision of Executive Councillor for Finance and Resources:

Review of Charges:

- a) Approved the proposed charges for this portfolio's services and facilities, as shown in Appendix A to this report.

Revenue:

- b) Considered the revenue budget proposals as shown in Appendix B.

Capital:

- c) Considered the capital budget proposals as shown in Appendix C.
- d) Adjusted capital funding for item 2 (c).

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

The Committee made the following comments in response to the report:

- i. Asked Officers to expand on budget proposal C4117 with regard to timings and process of mooring allocation.

- ii. Referred to budget proposal B4068, asked how proportionality between the three Authorities works with regard to council contribution and digital output.

The Head of Finance and Strategic Director and said the following in response to Members' questions:

- i. Confirmed that 7 mooring spaces would be available at Riverside, the design was in the process of being developed in consultation with Cam Boaters. They were planning to go to tender in the spring with a view to begin the work in summer 2018.
- ii. Stated that proportionality between the three Authorities worked on the basis of how much resource each individual Authority put in initially. All three strategies were at different stages.

The Committee resolved by 3 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/7/SR Budget Setting Report (General Fund) 2018/19 to 2022/23

Matter for Decision

The Budget-Setting Report (BSR) included the detailed revenue bids and savings and capital proposals and set out the key parameters for the detailed recommendations and budget finalisation being considered. The report reflected recommendations that would be made to The Executive on 25 January 2018 and then to Council, for consideration at its meeting on 22 February 2018.

Decision of Executive Councillor for Finance and Resources to recommend to the Executive:

General Fund Revenue Budgets: [Section 5, page 31 refers]

- a) Agreed recommendations for submission to the Executive in respect of:
 - Revenue Pressures shown in Appendix C (a) and Saving shown in Appendix C (b).
 - Bids to be funded from External or Earmarked Funds as shown in Appendix C (c).
 - Non-Cash Limit items as shown in Appendix C (d).

- b) To recommend to Council formally confirming delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) which would be set out in Appendix A (a).
- c) To recommend to Council the level of Council Tax for 2018/19 as set out in Section 4 [page 28 refers].

Noted that the Cambridgeshire Police and Crime Panel would meet on 31 January 2018 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority would meet on 8 February 2018 and Cambridgeshire County Council would meet on 9 February 2018 to consider the amounts in precepts to be issued to the City Council for the year 2018/19.

Other Revenue:

d) To recommended to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

e) To recommended to Council the setting up an earmarked fund - the "GF development fund" [with the remit as page 27 refers]. The council would provide loans to Cambridge Investment Partnership (CIP), of which it was a member, to support the development of the former council depot on Mill Road. The proposals and resulting interest income were covered in more detail in Section 5. It was proposed to retain income from this and other CIP developments in an earmarked reserve reflecting uncertainty in both timings and quantum, and to provide a contingency fund reflecting the potential risks in this scheme and future schemes under development.

Capital: [Section 7, page 37 refers]

f) Recommend to Council the proposals outlined in Appendix E (a) for inclusion in the Capital Plan, including any additional use of revenue resources required.

g) Recommended to Council the revised Capital Plan for the General Fund as set out in Appendix E (d), the Funding as set out in Section 7, page 40 and note the Projects Under Development list set out in Appendix E (e).

General Fund Reserves:

h) Noted the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 8, page 45 refers].

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee made no comments in response to the report from the Head of Finance.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/8/SR Treasury Management Strategy Statement Report 2018/19 to 2020/21

Matter for Decision

The Council is required by regulations issued under the Local Government Act 2003, to produce a Treasury Management, Investment and Capital Strategy.

CIPFA had recently consulted on changes to the Prudential Code and the Treasury Management Code. The most notable of these changes was the requirement to produce an annual Capital Strategy which was provided at Appendix A to the report.

The DCLG have also consulted on changes to the Investment Guidance and Minimum Revenue Provision Guidance and the consultation closed on 22 December. The revised guidance is expected to be issued early in 2018 and to apply for financial years commencing on or after 1 April 2018. The report therefore reflected the new requirements. The most notable change was the requirement to expand the Investment Strategy to non-financial assets such as investments in property.

Decision of Executive Councillor for Finance and Resources agreed:

- i. To recommend the report to Council including the estimated Prudential & Treasury Indicators for 2017/18 to 2020/21, inclusive, as set out in Appendix D.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance.

The Committee referred to the Non-Financial Asset Performance Indicators and asked whether the assets in the Cambridge Housing Company or Mill Road Depot were included.

The Head of Finance said the following in response to the question:

- i. Confirmed that the Cambridge City Housing Company Limited (CCHC) was not encompassed within the Non-Financial Asset Performance Indicators but the current loan given to the CCHC by the council was included in it. The loan needed for the development phase of Mill Road Depot development was also included within it but has not yet been transferred.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendation.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/9/SR Council Tax Reduction Scheme 2018-2019**Matter for Decision**

From April 2013, local authorities across England were given the power to devise their own systems of Council Tax Support for working-age adults. It replaced the national system of the Council Tax Benefit which ensured that the poorest households received help to pay Council Tax.

The current local scheme met the Council's commitment to protect as many people as possible from any decrease in the level of Council Tax Reduction support.

The purpose of the report was to undertake the annual review of the Council Tax Reduction Scheme and to decide whether the Scheme should be revised, replaced or continued for the financial year 2018-2019.

Decision of Executive Councillor for Finance and Resources:

- i. Agreed to continue the current Council Tax Reduction Scheme framework with changes in applicable amounts and premiums as defined within the local scheme which supported low-paid workers already struggling to cope with stagnant wages, rising living costs and on-going Welfare Reforms that impacted on tax credits and other in-work support.
- ii. Agreed to a significant review of the current scheme during spring 2018 to reflect the rollout of Universal Credit Full Service, to include a review of Local Council Tax Discounts and Premiums.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Revenues and Benefits.

The Committee made the following comments in response to the report:

- i. Sought clarification regarding how the scheme would work with the introduction of Universal Credit.
- ii. Asked if Department of Work and Pensions (DWP) had given any indication of when the funding for Universal Credit was likely to be received.

The Head of Revenues and Benefits and Benefit Manager said the following in response to Members' questions:

- i. They were mindful of the roll out of Universal Credit, however the date to introduce Universal Credit had already moved once which could happen again. This highlighted the difficulty of rolling out a complex project against others which have fluid deadlines.
- ii. Confirmed that DWP had not given any indication about funding, they had planned to monitor the progress of other authorities first. DWP had agreed to inform software suppliers 6 months in advance of the start date so that would be some form of indicator.
- iii. Any changes to the scheme would require consultation first.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

The Chair called a short break at 17:40

The Committee resumed at 17:45

18/10/SR Review Of Use Of The Regulation Of Investigatory Powers Act

Matter for Decision

A Code of Practice introduced in April 2010 recommended that Councillors should review their authority's use of the Regulation of Investigatory Powers Act 2000 (RIPA) and set its general surveillance policy at least once a year. The Leader and Executive Councillor for Strategy and Transformation and Strategy and Resources Scrutiny Committee last considered these matters on the 23rd January 2017.

The City Council had not used surveillance or other investigatory powers regulated by RIPA since February 2010. This report set out the Council's use of RIPA and the present surveillance policy.

Decision of Executive Councillor for Strategy and Transformation:

- i. Reviewed the Council's use of RIPA set out in paragraph 3.5 of this report.
- ii. Noted and endorsed the steps described in paragraph 3.7 and in Appendix 1 to ensure that surveillance was only authorised in accordance with RIPA.
- iii. Approved the general surveillance policy in Appendix 1 of the report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee made no comments in response to the report from the Head of Legal.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/11/SR Combined Authority Update**Matter for Decision**

The report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 9 October meeting of Strategy and Resources Scrutiny Committee.

Decision of Executive Councillor for Strategy and Transformation:

- i. To provide an update on issues considered at the meetings of the Combined Authority held on 25 October, 29 November and 20 December 2017.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Chief Executive.

The Committee made the following comments in response to the report:

- i. Referred to the Rapid Transport paper, it was due to be scrutinised the following week but the Combined Authority Overview and Scrutiny Committee had still not yet received it. Asked whether it should be in the public domain.
- ii. Made reference to section 4.3 of the report, asked whether the Mayor's position on the Business Board would be as an observer or would have voting rights.
- iii. Section 4.5 of the report detailed the make-up of the Business Board, asked how small the business would be and could it include shops.
- iv. Section 4.6 of the report referred to the LEP, asked about the current status of the LEP.
- v. Expressed support for an independent business board but raised concern over the process of appointing members with fears of a lack of transparency.
- vi. Referred to the Chair of the LEP/Business Board and asked what their voting rights would be on the Combined Authority (CA).
- vii. Queried why the Business Board had voting rights if they had no budget.
- viii. Made reference to associate membership and asked how the difference in footprint between the LEP and CA would impact its relationship.
- ix. Sought clarification on whether another mayoral election would need to be held if there was a desire to widen the footprint of the CA.
- x. Asked if the £100 million housing funding grant was targeted at providing housing in high cost areas across the geography.

The Chief Executive and Executive Councillor for Strategy and Transformation said the following in response to Members' questions:

- i. Affirmed support for scrutiny and transparency of CA decisions. Referred to the Rapid Transport paper, speculated that the original plan was for it to come to the CA and Greater Cambridge Partnership Board meeting at end of January.
- ii. Stated that without the Terms of Reference to hand they could not confirm the voting status of the Mayor on the Business Board but they recalled that he would be able to vote.
- iii. Stated that shops were likely to meet the criteria of being a small Business but no decision about Board membership had been made yet.

- iv. The LEP would now become the Business Board. Support was still there for an independent business voice but there was scepticism surrounding the way the two had been merged.
- v. The Business Board could be representative and independent; ultimately if it was not, it would be subservient and would fail.
- vi. Confirmed that the Chair of the Business Board would have prescribed voting rights on the Combined Authority Board.
- vii. Highlighted that although the Business Board did not have a budget, it would have some powers and would be set up as a company. It could also receive funding from the CA.
- viii. The devolution agreement and constitution of the CA allowed members to veto the introduction of any neighbouring authorities to join the CA. If there was a desire to expand, a governance review would have to be undertaken and this would involve a fresh mayoral election. Consent may need to be given by the Secretary of State.
- ix. There was support for surrounding authorities to contribute to discussion on strategic plans but not to have a vote.
- x. The Leader stated that he was not aware of any formal criteria regarding the geographical location of housing built with the devolution funding. So far the allocation had been based upon which area could achieve the most with the money. South Cambridgeshire had received over 40% of the allocation in the first phase.

The Committee noted the update.

18/12/SR Cambridge Junction Capital Project

Matter for Decision

The report outlined that a decision was needed to allow the Cambridge Junction capital project to move to the next stage.

A Joint Project Board had been formed between the Council and Cambridge Junction to facilitate agreement of project drivers and outcomes. The report considered a high level feasibility and detailed options assessment carried out by external consultants. As the Council owned the freehold of the site, officers also considered the wider property issues and opportunities provided by any redevelopment scheme. An arts and cultural infrastructure audit had been commissioned in order to provide an evidence base of existing and future needs for professional cultural infrastructure, and to provide underpinning evidence for an options assessment.

The options assessment looked specifically at Cambridge Junction assessed a range of options from 'do nothing' through to 'complete redevelopment of the site'.

Decision of Executive Councillor for Strategy and Transformation:

- i. Noted the findings from the Arts and Cultural Infrastructure Audit.
- ii. Noted the findings of the options assessment work.
- iii. Approved progression to a detailed study on Option 3 – a partial redevelopment - as the preferred recommendation for redevelopment of Cambridge Junction.
- iv. The detailed study on option 3 would be considered within a framework of an outline site wide masterplan to ensure that:
 - a) The full impacts of the phase 1 study on the wider freehold site were taken into account.
 - b) Alternative options were considered at this stage should option 3 be undeliverable.
 - c) The Council was able to ensure best value optimisation of its assets on the site.
 - d) The work would support a potential first stage capital bid to Arts Council England including completion of more detailed work up to RIBA stage 1.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Culture and Community Manager.

The Committee made the following comments in response to the report:

- i. Asked what financial consideration had been given to the Junction in terms of bridging the gap caused by redevelopment.
- ii. Welcomed the opportunity of redevelopment. Referred to section 3.6 of the report and asked if the audit had been subject to analysis.

The Culture and Community Manager and Head of Property Services said the following in response to Members' questions:

- i. Confirmed that the Junction had stable finances, they had been working closely with the Arts Council who were their biggest funder so they were

confident that the redevelopment would make a positive and sustainable impact on their finances.

- ii. Stated that the proposal wasn't just to increase performance capacity, there was high demand for rehearsal/education space and start up facilities.

The Executive Councillor for Strategy and Transformation confirmed that discussions had been ongoing for 18 months; this was a positive opportunity which could lead to further development in Junction 1 in the future.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor

The meeting ended at 6.30 pm

CHAIR

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE 12 February 2018
5.00 - 5.20 pm

Present: Councillors Barnett (Chair), Baigent (Vice-Chair), Bick, Cantrill, Sinnott and Abbott

Executive Councillor for Finance and Resources: Councillor Roberts

Officers:

Strategic Director: Fiona Bryant
Head of Corporate Strategy: Andrew Limb
Head of Legal Practice: Tom Lewis
Head of Estates and Facilities: Trevor Burdon
Head of Finance: Caroline Ryba
Head of Property Services: Dave Prinsep
Committee Manager: Toni Birkin

FOR THE INFORMATION OF THE COUNCIL

18/13/SR Apologies for Absence

Apologies were received from Councillor Sarris and Councillor Herbert. Councillor Abbott was present as the alternate.

18/14/SR Declarations of Interest

No interests were declared

18/15/SR Public Questions

There were no public questions

18/16/SR Amendments to the Budget Setting Report 2018/19

18/17/SR Liberal Democrat Amendment

The purpose of the discussion was to ask questions of the Liberal Democrat Members on the Scrutiny Committee on their group's budget amendment.

The Labour Members of the Committee asked the following questions. The answers provided by Liberal Democrat Members immediately follow.

- i. B0008. Enhancement to Rough Sleeping Strategy funded from increased empty homes tax. What is the basis for the calculations?

It was based on the current profile of receipts received from empty homes and Cambridge City Councils share of the government proposed increase to Council Tax Empty Homes Premium.

- ii. S0004. Why are you proposing to delete the budget for Public Information Films?

It was hard to justify prioritising this expenditure against other proposals.

- iii. Why are you proposing a cut in paid time for staff to undertake union duties?

The saving is based on the budget plan and would restore the pre 2015 position.

- iv. Would a reduction to paid union time represent a real saving as union representative are widely used at times of change to support the workforce?

The proposed cut is not based on the value of the contribution but rather on the size of their client group. The workforce has reduced in recent years. The service was adequately delivered, with less paid union provision, before 2015.

- v. How would the risks (of the proposed investment of houses within the Cambridge City Housing Company), identified on p 24 of the report be mitigated?

The risks are similar to those already existing within the housing company. Additionally, the proposed capital structure is more conservative.

The meeting ended at 5.20 pm

CHAIR

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Item

DISCRETIONARY HOUSING PAYMENT - UPDATE

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Strategy & Resources Scrutiny Committee 19 March 2018

Report by:

Alison Cole, Head of Revenues and Benefits

Tel: 01223 - 457701 Email: alison.cole@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Not a Key Decision

1. Executive Summary

- 1.1 This report is to provide an update on the funding and use of Discretionary Housing Payments (DHP) to support those affected by Welfare Reforms.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 To approve the carry forward to the 2018/19 financial year the final unspent additional DHP contribution (see paragraph 4.7).
- 2.2 To delegate approval for the future carry forward of any unspent additional DHP contribution, to Head of Revenues and Benefits.

3. Background

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3.1. DHP is an extra payment to help people who claim housing benefit or Universal Credit and are struggling to pay their rent.

3.2 Increasing the level of funding for DHPs was one of the ways in which the Department for Work and Pensions (DWP) sought to mitigate the impact of some of the reductions to Housing Benefit entitlement introduced as a result of Welfare Reforms including Removal of the Spare Room Subsidy, the household Benefit Cap and reforms to the Local Housing Allowance (for claimants in private rented housing).

3.3 The breakdown of DHP awards during 2015/2016, 2016/2017 and totals to date for 2017/2018 are below.

	2015/2016	Awards	2016/2017	Awards	2017/2018	Awards
Benefit Cap	2,509	2	40,915	47	97,254	99
Spare Room Subsidy	116,403	311	104,388	251	88,410	217
Local Housing Allowance	27,176	68	32,104	59	41,534	68
Other and one off awards	6,924	32	12,453	37	14,188	47

- Benefit Cap – This is now the main reason a DHP is awarded and is also the highest average award by category.
- Spare Room Subsidy - There continues to be a reduction in the number of and value of awards. This is mostly due to the work done to support moves to more appropriate accommodation. There has been a reduction from the initial 750 to 535 as at January 2018.
- Local Housing Allowance – The gap between LHA rates and average rents continues to put a strain on those living in the Private Rented

Sector and DHP's have helped support households who are unable to move to other accommodation. It is also going to be used to support the HB Plus and HB Family Plus initiatives mentioned below.

3.4 Working with colleagues in City Homes and Housing Advice, the use of DHP has protected many recipients from having increased rent arrears and has had the potential to prevent households from becoming homeless.

3.5 One such proposal is the HB Plus and HB Family Plus schemes that are being developed by the Council; the former being for single households and couples, the latter for those requiring family sized accommodation.

3.6 The schemes work in partnership with Cambridge CAB and CHS Group to provide financial advice and support and employment support. DHP's will be used to pay the difference between the Local Housing Allowance rate and average rent figures to provide a stable environment for CAB and CHS Group colleagues to support these households to becoming more self-sufficient by the end of the project.

3.7 DHP's will be guaranteed for a year for singles and couples and for two years for families where they continue to live in Cambridge City.

3.8 The value of and the reason for all awards is monitored on a monthly and quarterly basis to ensure consistency of decision making whilst retaining the discretionary nature of the award scheme.

3.9 Regular meetings with City Homes, Housing Advice and other support agencies have taken place over the last year and will continue to take place to ensure that providers are aware of the existence of DHPs and the available funding.

3.10 Referrals for debt advice, signposting to employment support and housing advice and support are all part of the DHP process.

4. Implications

(a) Financial Implications

4.1 Details of the Government award and the Overall Limit for DHP awards (2.5 times the contribution) can be found in DWP Circular S1/2018. For 2018/2019, the government contribution is £223,961 and the Overall Limit is £559,903.

4.2 For 2017/2018, the contribution was £243,719 and Overall Limit was £609,298.

4.3 Demand is difficult to predict, due to a steep increase in households affected by the Benefit Cap but there are signs of a steady decrease in the numbers impacted by the Removal of the Spare Room Subsidy.

4.4 Cross section working within the Council and collaboration with external partners has delivered robust mechanisms to support households in the short term and to encourage them, where possible, to make changes that will offer longer term solutions.

4.5 Based on estimates at 1st February 2018, total DHP expenditure for 2017/2018 is likely to be £275,000, exceeding the Government Contribution of £243,719 by £31,281. This may change as HB Plus and HB Family Plus comes on stream during the final quarter of the financial year.

4.6 To help provide further support for DHP, in addition to the above government contribution, the Housing Advice Service, via its Homelessness Prevention Grant (Department for Communities and Local Government funding), transferred funds in prior years towards the DHP's overall cash limit to help prevent homelessness via DHP payments. The budget carried forward to the 2017/18 financial year was £196,700.

4.7 With an estimated spend in excess of the government contribution of £31,281 for the 2017/18 financial year, the additional contribution to DHP funding that is projected to be unspent by the end of the financial year is £165,419 (budget carried forward to the 2017/18 financial year was £196,700, less estimated spend in excess of the government contribution of £31,281 = £165,419). Approval is therefore sought to carry forward the final unspent additional contribution to DHP funding to the 2018/19 financial year to continue the work to support households impacted by welfare reform.

4.9 To put DHP awards in context, Housing Benefit expenditure for the current financial year (2017/2018) is estimated at £37,500,000 for Cambridge.

(b) Staffing Implications

None

(c) Equality and Poverty Implications

4.9 Yes. DHP payments continue to be used effectively to mitigate the impact of Welfare Reforms by supporting the most vulnerable benefit recipients.

4.10 The rationale for awards has not changed since last year.

(d) Environmental Implications

None

(e) Procurement Implications

None

(f) Community Safety Implications

None

5. Consultation and communication considerations

No consultation undertaken.

6. Background papers

None

7. Appendices

None

8. Inspection of papers

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

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Item

SHARED SERVICES – 3C Legal, 3C ICT, Shared Internal Audit Service 2018/19 Business Plans

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources:

Strategy & Resources Scrutiny Committee

19 March 2018

Report by:

Fiona Bryant, Strategic Director

Tel: 01223 – 457325 Email: Fiona.Bryant@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

The 2018/19 business cases for the shared 3C ICT, 3C Legal and Shared Internal Audit services are presented for endorsement, the principles of which were approved by this Council on the 13th July 2015, 12th October 2015 and 23rd January 2017.

The attached business plans reflect the progress that has been made over the last year, establishing and stabilising operational structures, controlling costs, and beginning to deliver on the ambitious objectives of the original business plans. The business plans, along with the strong working relationships between the partner organisations have seen the shared services increasingly support new ways of working, and the

potential for greater efficiencies within the organisations particularly around the use of technology and modernisation.

The 2017/18 business plans will be required to be endorsed at all partners individual governance committees. It is therefore recommended that Executive Councillor delegate authority to the Shared Service Management Board to agree final amendments to the business plans in line with comments received from all partner committees.

2. Recommendations

The Executive Councillor is recommended:

- 1) To approve the business plans for each of the shared services attached at Appendix 1 are approved
- 2) To delegate authority to the Shared Service Management Board to agree final amendments to the business plans in line with comments received from all three partner individual Councils

3. Background *Page: 2*

- 3.1. In July 2015, Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council each approved a lead authority model for shared services, where an agreed lead council would be responsible for the operational delivery of a service. It was also proposed that impacted staff would be employed by the lead council via a Transfer of Undertakings (Protection of Employment Regulations) or TUPE Transfer as it is more commonly known.
- 3.2. The business cases to allow ICT and Legal shared services to move forward were approved at the same time and as a result, the three proposed shared services formally consulted with impacted staff and their representatives over the summer. Subsequently, preparations were made for the implementation phase, with a go-live date of 1st October 2015 (the date from which the nominated lead councils would become the Employing Authority and staff would transfer).
- 3.3 In January 2017, Cambridge City Council and South Cambridgeshire District Council approved a business case for a Shared Internal Audit

Service. After consultation South Cambridgeshire District Council staff where TUPE'd to Cambridge City Council and the service went live.

3.4 The partner councils had previously agreed that the achievement of the following outcomes is primary objective of sharing services:

- Protection of services which support the delivery of the wider policy objectives of each Council
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service
- Savings through reduced managements costs and economies of scale
- Increased resilience and retention of staff
- Minimise the bureaucracy involved in operating the shared service
- Opportunities to generate additional income, where appropriate
- Procurement and purchasing efficiencies, and
- Sharing of specialist roles which individually, are not viable in the long-term

3.5 Since go-live each shared service has been working to review staffing structures, working practices and overall service provision in order to deliver the desired outcomes of the shared service partnership, as outlined above. As the business plans demonstrate, a lot of this work is now complete, providing a stable platform on which to proceed.

3.6 A key objective for each of the services has been the development of a set of forward-looking business plans that set out the key priorities, objectives, activities and measures of success for each service. Whilst the content of the business plans is still developing along with the services the plans for 2018/19 can be found at Appendix 1. It is recommended that the business plans are endorsed to enable the Shared Services to work to an agreed direction and deliver against an agreed set of objectives.

3.7 The attached business plans have been consulted with the Lead Members at each of the Councils. Their role is to provide advice and oversight, to challenge and recommend for endorsement the shared service business plan and budgets.

- 3.8 2018/19 business plans for Shared Waste, Planning and Building Control have been presented to the Environment Scrutiny Committee on 13 March 2018.
- 3.9 As agreed in the original business cases for Shared Services a Shared Services Annual Report for 2017/18 will be presented to this Committee at the meeting scheduled for 2 July 2018. This report will update members on benefits, progress and issues for the financial year 2017/18.
- 3.10 The 2018/19 business plans will be required to be endorsed at all partners individual Executives. It is therefore recommended that Executive Councillors delegate authority to the Shared Service Management Board to agree final amendments to the business plans in line with comments received from all partner committees.

4. Implications

(a) Financial Implications

Financial implications have been included in the budgets at the partner Councils.

(b) Staffing Implications

There are no staffing implications.

(c) Equality and Poverty Implications

An EqIA has been carried out for this project and submitted in July report to Strategy and Resources Committee, no changes.

(d) Environmental Implications

Low Positive Impact.

Reduction in accommodation and energy use associated will have a positive impact. Potential negative impact from increased travel will be mitigated by increased mobile and remote working.

(e) Procurement Implications

There are no procurement implications.

(f) Community Safety Implications

There are no community safety implications.

5. Consultation and communication considerations

This will be conducted in accordance with the Councils agreed policy.

6. Background papers

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

Shared Services Report – Strategy and Resources – 13th July 2015

Shared Internal Audit Business Case – Strategy and Resources – 23rd January 2017

7. Appendices

1. 3C ICT 2018/19 Business Plan
2. 3C Legal 2018/19 Business Plan
3. Shared Internal Audit 2018/19 Business Plan

8. Inspection of papers

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

Fiona Bryant, Strategic Director

Tel: 01223 – 457325 Email: Fiona.Bryant@cambridge.gov.uk

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BUSINESS PLAN FOR LEGAL SERVICES (THE PRACTICE) 2018/19

Service Leads			
Head of Practice	Tom Lewis		
	Cambridge City Council	Huntingdonshire District Council	South Cambridgeshire District Council
Director	Fiona Bryant	Oliver Morley	Mike Hill
Lead Councillor	Cllr Robertson	Cllr Brown	Cllr Wright

APPROVED BY	Status	Date
Management Board	Draft	24/01/2018
Shared Services Partnership Board	Draft	
Joint Advisory Committee	Final draft	
Cambridge City Council [<i>Executive Councillor and Scrutiny Committee</i>]	Final	
Huntingdonshire District Council Cabinet	Final	
South Cambridgeshire District Council Cabinet	Final	

INTRODUCTION
<p>The Legal Shared Service known as the Practice went live in October 2015.</p> <p>The first full financial year of the Practice was extremely challenging with the need to claw back a substantial overspend.</p> <p>The figures for this financial year show the Practice to be in a much better position and on track to deliver against its budget. This represents a real achievement. It should also be noted that the Practice has achieved the £150K savings target identified in the original business case. In general it can be said that this has been a year of consolidation for the Practice.</p> <p>There has been a move towards greater stability with appointments of permanent staff and further appointments anticipated by year end (given live recruitment). The Practice has moved its principle hub to SCDC's offices at Cambourne, previously located at CCC, and the move has proved highly successful. The</p>

team have been provided with fantastic facilities at SDCD and in newly configured spaces at CCC and HDC. Flexible working arrangements have also been to the fore in enabling staff to work efficiently across the Practice. The improved performance in terms of recorded hours across the last 12 months has certainly been aided by the new dynamic working space arrangements.

The year has also seen a reduction in external legal spend, one of the rationale for the establishment of the shared service. For next year, particularly given the arrival of FMS which will assist in data capture, further improvement will be sought. There is work to be done in ensuring that all external legal spend is run through the Practice which will improve value for money by better commissioning.

There must also be a drive next year to promote the intelligent client across the 3 Councils'. In short if it is possible to enable the client to complete routine administrative tasks rather than passing them onto the Practice this can be a benefit to all by avoiding unnecessary duplication. In this regard there is also work to be done to help clients to provide the best possible instructions to the Practice at inception. Full instructions avoid the need for unnecessary queries/delay.

The Practice has successfully responded to demands across the 3 Councils' and has provided legal support in a number of projects including:

- In relation to actions arising following the establishment of the Combined Authority.
- The Practice has provided support in relation to the work with the Cambridge Investment Partnership.
- Huntingdonshire District Council (HDC) and Huntingdonshire Town Council (HTC) have been in long negotiations in respect of the transfer of the Dry side site of One Leisure Huntingdon and the Medway Centre. The Practice has provided necessary legal support.
- Ongoing support has been provided to South Cambridgeshire District Council ("SCDC") in relation to the loan agreement to facilitate the proposed new Cambridge Ice Rink.

3C Reporting timetable

Progress reports on Business Plan implementation and progress against key measures will be quarterly at the 3C Management Board meetings before being reported into each Partner Council's performance management systems.

Quarterly performance reports will be produced to report on performance against key performance indicators agreed in the business plans, budget position and wider benefits.

An annual report on the progress of shared services will be produced and presented at the relevant committees of partner authorities in the June/July cycle.

An updated Business Plan for 2019-20 will be drafted for consideration by October 2018 to support service planning and budget setting processes.

Version FINAL	Date 30/01/18
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A. PURPOSE OF THIS DOCUMENT

This is the Business Plan for the Practice, part of 3C Shared Services, for 2018/19. It describes how the shared service arrangement outlined in the approved Business Case proposes to be delivered, to ensure objectives are achieved and business benefits are realised within a robust governance framework and in the context of the partner councils' corporate plans.

The following objectives have been agreed at the inception of Practice in the business case:

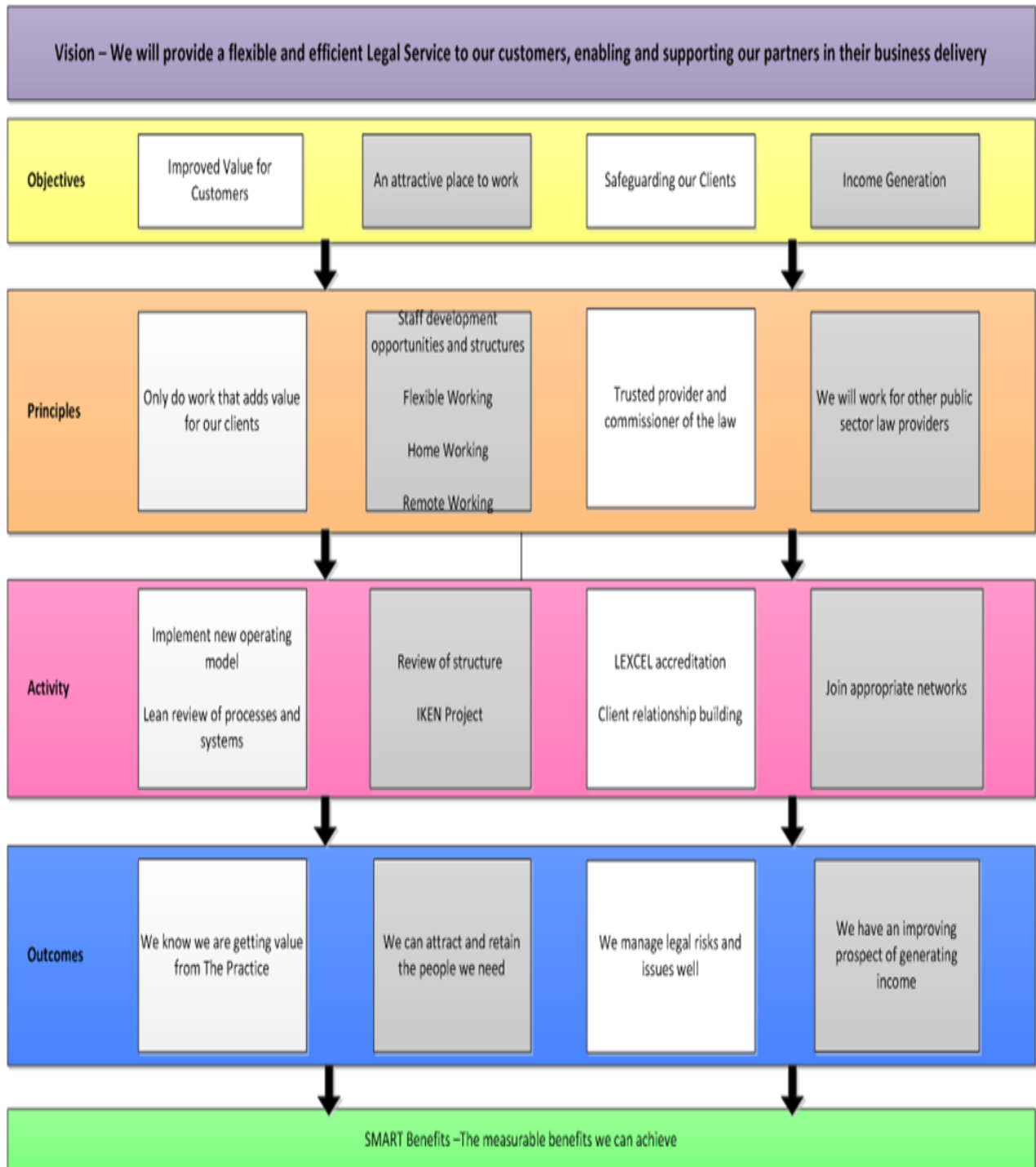
- Protection of services which support the delivery of the wider policy objectives of each Council
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service
- Savings through reduced managements costs and economies of scale
- Increased resilience and retention of staff
- Minimise the bureaucracy involved in operating the shared service
- Opportunities to generate additional income, where appropriate
- Procurement and purchasing efficiencies
- Sharing of specialist roles which individually, are not viable in the long-term

The Plan is divided into the following sections:

- Section 1: Context and Overview
- Section 2: Operational Plan (business as usual activities)
- Section 3: Development Plan (service improvement & project based activities)
- Section 4: Summary of Performance Indicators

B. DESCRIPTION OF THE SERVICE

Vision for the Practice



This business plan will form part of ensuring that the Practice becomes a true shared service and that the benefits are realised.

Description of The Practice

The Practice carries out legal work for the 3 Councils covering all areas and types of work in which the Councils are involved including general legal advice, drafting documents and representing the Council in court.

The Practice consists of 22 “fee earning” qualified legal staff supported by a Practice Manager and 2 support officers. We are divided into 5 teams to reflect the key topics of internal expertise and demand covering Corporate Governance & general advice, Litigation, Planning, Property, and Contracts. (Anything else we want to add from the Client Care Brochure?) When Councils seek extra capacity or specialised advice, the Practice commissions’ external resources and re-charges these to the commissioning Service. To provide an overview of demand and spend across the 3 partner Councils, all external legal advice must be commissioned through the 3C Legal Service. To aid Services and colleagues, a Client Care Brochure has now been produced to set out our offer and is available at :

<http://intranet.3csharedservices.org/media/1317/client-care-brochure.pdf>

The Practice is committed to providing an excellent legal service to assist the Councils in meeting their objectives and to ensure that the individual Councils act within the law.

Objectives

Referring to the Business Case, the focus for the Practice remains the same as stated in the Business Case approved by all three Councils: A high standard of leadership, whereby the senior management team possess the right range of managerial, commercial, innovation and change management skills necessary to deliver the new service:

- Align current capacity with demand from within the practice itself
- Reduce external spend
- Optimise effective use of legal skills
- Continual reduction of the books and publications spend
- Client departments to have a major role in developing the Business Plan
- Quarterly reporting of KPIs identified by the new management team of the Practice
- Income generation is key to the success of the Practice, and should derive income from legal costs incurred or recovered in a legal activity
- To utilise the recording and case management system

Stakeholders and Partners

The client services from the 3 partner councils are identified as key stakeholders and with the introduction of an Intelligent Client role they have a means of conveying their requests, consumption and issues resolution.

C. FINANCIAL OVERVIEW

The Business case is based on:

- A Practice budget of £1.3m
- Better commissioning of external legal advice
- The re-structure will see efficiencies in management and business support arrangements (latter being driven by the extended use of technical support via IKEN, together with better processes)

The Practice Budgets (excluding recharges / overheads)

	<u>Original</u>	<u>Budget Before Savings</u>	<u>Budget Before Savings</u>	<u>Budget After Savings</u>	<u>Budget After Savings</u>	
	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2017/18</u>	
<u>Gross</u>	1,444,070	1,496,440	1,565,150	1,377,440	1,343,920	
<u>Less Income</u>	250,710	257,010	262,150	257,010	194,550	
<u>Net</u>	1,193,360	1,239,430	1,303,000	1,120,430	1,149,370	
<u>Savings Achieved 2016/17</u>				-119,000		
<u>Savings Achieved 2017/18</u>					-153,630	
<u>Total Savings</u>						-272,630
<u>Reduction in Income 2017/18</u>					67,600	67,600
<u>Total Savings to 3C Legal</u>						<u>-205,030</u>

				Forecast			
£				2018/19	2019/20	2020/21	2021/22
Gross Budget				1,389,660	1,436,240	1,484,410	1,534,220
Less Income				198,440*	222,250	248,930	278,790
Net Budget				1,191,220	1,213,990	1,235,480	1,255,430

The net increase in costs to the Practice is predicted to be below 2% across the next 5 years.

A savings target of £179,000 was identified in the original business case for the Practice. In 2016/17 a saving of £119,000 was made (£60,000 off this target). However, a further saving of £153,630 was made in 2017/18 therefore exceeding the original savings target by £93,630.

Each year’s budget after 2015/16 has been adjusted in line with inflationary assumptions made by Cambridge City Accounts Team.

*For comparison purposes the Year 0 budget is for the 12 month period from Apr 15 to Mar 16.

*The 2017/18 and 2018/19 income target was adjusted given overachievement on staff savings. This is reflected in a more appropriate base income position. Essentially less staff numbers has a resulted in a lower income target. Less staff equals less income.

2017/18 and 2018/19 budget shared by Partner Councils.

	54.22%	18.54%	27.24%	
	CCC	HDC	SCDC	Total
2017/18	623,230	213,060	313,080	1,149,370
2018/19	645,813	220,862	324,545	1,191,220

D. STAFFING OVERVIEW

Following a full restructure and consultation The Practice now consists of 22 “fee earning” qualified legal staff supported by a Practice Manager and 2 support officers. We are divided into 5 teams. This is under constant review, depending on demand.

The Principal Governance Lawyer has been appointed to the position of Deputy Head of Legal to assist the Head of Practice with continued improvement across the Practice.

In addition an internal applicant has been promoted from within the Practice to the position of Principal Property Lawyer.

In order to provide greater stability and aid recruitment two senior litigation posts have been created from 3 previous positions in litigation, 2 of which were part time. Recruitment is underway for these roles.

The aspiration for the next financial year is to engage more permanent staff members to positions which have been covered by locums. This reflects an improved employment market given changing tax position for locums: locums are now more willing to take on permanent positions.

E. LOOKING BACK

Achievements

1. The Practice now operates a uniform case management and time recording system, so time can be captured by all fee-earners. Strenuous efforts have made to improve the efficiency of time recording and to encourage the Practice to achieve delivery against its annual time recording targets. Real progress has been made in this regard. Reporting for the last quarter has demonstrated an improvement greater than 10% with the Practice now performing at 107% of its target for recorded hours. This provides greater value for all.
2. Recharging model based on consumption in place.
3. Portfolio of templates now in place for procurement and contracts to create a more efficient process
4. Codes of Conduct matters across the Practice are now in hand and being operated in line with the Constituent Authorities constitutional arrangements and local practices.
5. In Planning Enforcement there has been notable success in dealing with planning breaches at Smithy Fen for SCDC and Cowley Road for CCC.
6. For SCDC the Ice Rink Loan Agreements were concluded and work is underway on site.
7. For CCC working with external lawyers support has been provided to enable the conclusion of the lease to the Cambridge Investment Partnership on the Mill Road Site.
8. For HDC a vigorous drive has been made to assist in regularising debt recovery. The efforts made in this regard are reflected in the large number of new cases taken on by the Practice for HDC. The

positive outcomes achieved are reflected in the 95% positive outcome achieved by the Practice for litigation cases in the last reporting quarter.

9. The Practice aims to continually improve client relationships by empowering clients with know-how, to enable them to carry out work previously undertaken by the practice. A key objective to within the shared services practice is to streamline the processes, and encourage a more efficient process with regards to contracts. This has been done within procurement and a portfolio of templates to be used by the three teams has now been produced.
10. The Practice has achieved a reduction in external legal spend. This has seen in spend a fall from £106k to £93k on external legal spend for the first 3 quarters of the financial year /with a comparator for same stages last financial year. The Practice will be looking to continue this trend
11. For the first time a consideration of successful outcomes has been made for the Practices litigation cases. Although statistics are only available for the 3rd quarter of this financial year they show a 95% success ratio: with 148 cases out of 156 closed matters resolved in favour of our client. Monitoring of performance in these terms will continue for the Practice moving forward.

F. LOOKING FORWARD

The Practice plans to increase its efficiency and effectiveness to its three partner Councils by implementing the Intelligent Client role as a means of conveying their requests, consumption and issues resolution. Work will be carried with our participant Authorities to identify suitable candidates.

.Consumption Analysis April –Dec 2017.

	Actual	Budget	Difference
CCC	51.90 %	54.22 %	-2.32 %
SCDC	29.07 %	27.24 %	+1.83 %
HDC	17.67 %	18.54 %	-0.87 %
Hours Not Used	1.37 %	0	1.37 %

With the Practice now moving towards a situation where it is fully staffed, staff restructures completed, a time recording system now in place the Practice is now in a position to operate in a more steady state and concentrate its effort on client management through use of its consumption based recharging model and providing a clearer picture of demand and consumption of partners authorities.

With the introduction of standard case management system and time recording system the aim is to get people working more flexibly through home working, remote working and the use of regional hubs. The move to a main office with two hubs has implemented the corporate desk strategies of a ratio 7:10 and this makes flexible working an increased priority. We are seeing a steady improvement in productivity which is captured in hours recorded by fee earners reported to the quarterly management board.

The consumption analysis is not yet being used to adjust budget contributions from the Partners where actual consumption exceeds budgetary contribution. In future years such adjustments could be made where any disparities were apparent. The analysis for April to Dec 2017 does show small disparities

between consumption and contribution but all below a 3% variance.

The Practice has identified the following potential work streams which will impact upon 2 or more of the Councils' this year :

- Major growth sites and associated legal agreements
- Elections
- Joint Procurements
- Analysis of External Legal spend not currently commissioned through 3C Legal

The Practice will also be looking to engage with key clients over their forthcoming priorities and objectives and will use this as a basis to enable the Practice to anticipate and enable any necessary training. To this end the Head of Practice and Deputy Head of Practice will be attending senior management meetings at all partner authorities to gauge demand and major projects over the forthcoming year.

Moving forward consideration needs to be made of external opportunities. By taking work back in-house this financial year it has been possible to deliver on income targets. There are limitations on what the Practice can seek to achieve in respect of income generation.

For purely commercial work the Practice is currently limited by its operating model (to trade outside local authorities and public bodies would require the Practice to set up as a separate legal entity) and realistically the Practice cannot compete with the expertise available in the private sector. Given the salaries available in the commercial sector it is unrealistic to think that recruitment of similar expertise would be possible.

Work for other local authorities may be a possibility, although it should be recognised that the market is saturated with the likes of LGSS and NP Law to name just two. In areas such as 106 work and enforcement it could be possible to look at growing the Practice to allow work for other local authorities to be taken on and further income generated. Given the potential for conflict of interest and other issues this would not include work for Parish Councils.

G. COMMUNICATION AND CONSULTATION

On-going dialogue will continue with Client departments and the Practice has set up an Intelligent Client role to liaise with individual partner's authority's needs, consumption rates and issues.

The Client Care brochure is available via the following link -

<http://intranet.3csharedservices.org/media/1317/client-care-brochure.pdf>

In addition to consultation on Business Plans, 3C Legal will also arrange to attend at least 2 of each partner Councils' management forums to build relationships with colleagues, seek feedback on the performance of the Practice, discuss and agree changing and new priorities, and identify opportunities for improvement and service development to meet colleagues' needs and increase external income generation.

SECTION TWO – OPERATIONAL PLAN 2018/19

This Section sets out the “Business as Usual” priorities and the activities that *3C Shared Legal Services* will undertake to deliver value-adding services to customers.

	Priorities for the service	State where these priorities are outlined <i>(i.e. Corporate plans, ICT strategy)</i>	Actions that will deliver the priority	Outputs from the activity	Outcomes from the activity	Lead Officer/Timelines
1	<p>Embed the use of consumption recharging model</p> <p>Integrate a single fees charging mechanism and charge out rate for the fee earners</p>	<p>3C Management Board Business Case</p> <p>Business plan and client departments</p>	<p>Use of coding with iKen time recording system.</p>	<p>Quarterly consumption report for partner authorities</p> <p>Standard rates per hours for Legal advice</p> <p>Make a comparison of fees and charges and look at updating these to have a single fees and charges model</p>	<p>Ability for partner authorities to identify areas for reduction in legal spend</p> <p>Ability to benchmark charges</p> <p>Uniform fees and charges</p> <p>Better budget management</p>	<p>TL / SK</p> <p>Quarterly reporting</p>

2	Reduce external spend across partner Councils by improving 3C Legal commissioning role and reviewing what legal work is outsourced by Councils at the moment outside the 3C Legal framework and review if it could be carried out in-house where possible	Initial business case agreed at July 2015 S&R Committee	<p>Analysis of external spends across each Council.</p> <p>Review of direct delivery and commissioning capability and capacity within the Practice. This will be assisted by use of FMS across Partner authorities.</p>	<p>Reduce the external legal spend of each Council and the Practice</p> <p>Improve commissioning of external legal advice to deliver quality, value-for-money support.</p> <p>3C Legal has an accurate and timely oversight of all externally commissioned legal work and future need.</p>	<p>A reduction in the cost of outsourced work</p> <p>More work being carried out in-house</p> <p>Improved value-for-money for partner Councils</p>	<p>TL</p> <p>Progress to be reported quarterly</p>
3	Demonstrate quality-assured legal support through Achievement of Lexcel accreditation	Initial business case agreed at July 2015 S&R Committee	Review of processes against standard	<p>Audit of current practices</p> <p>Standardisation of processes and documentation</p>	Lexcel accreditation carried out and gained	<p>TL/SK</p> <p>Inspection 4,5 and 6th April</p>

4	Improve performance management of the Practice through the use of the new IKEN Analysis and Reporting Module.			Detailed management information on the caseload, resource consumption and performance of the Service.	Partner Councils are satisfied with the Practice's performance. Partner Councils can better influence work priorities to meet their needs.	Quarterly reporting to be adopted once installation is possible. This is being actioned asap.
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Pri ori ty	Performance Measures <i>(provide a list only - target information is included in section 4)</i>	Dependencies <i>(ICT, Finance, Human Resources, accommodation etc.)</i>	Key risks to delivery <i>(include how these will be mitigated)</i>
1	Staff productivity To assess the output from legal officers No. and % fee earning hours against target.	ICT system Use of iKen case management system	Staff are not recording their time correctly The Business Manager will be providing regular reports to the Head of Practice and immediate correctional action can be taken. This will be included in individual performance agreements for 2018-19.
2	Customer Satisfaction- - Returning telephone calls - Acknowledge correspondence - Agree operational requirements on receipt of full instruction - Report on progress of case work / cycle time / aged cases	ICT system Use of iKen case management system	- Staff not recording work correctly on IKEN - Council colleagues not clear on how to contact and commission 3C Legal services.

3	<p>Cost effectiveness</p> <ul style="list-style-type: none"> - To reflect the quality of financial management - Spend against target - Income generated against target - External spend / change in external spend on legal services 	<p>Finance ICT</p>	<p>The Practice does not deliver stated savings</p> <ul style="list-style-type: none"> - The budget will be monitored monthly and reported to the 3C Management Board for reporting or action - Failure to achieve targeted income - Staff turnover leads to use of more expensive locums as cover. - Council services areas fail to commission external legal spend through 3C Legal. -
4.	<p>Case Disputes Resolves in 3C Favour</p> <ul style="list-style-type: none"> - Measure of percentage of disputes awarding in favour of 3C on the advice of the service not to settle 	<p>ICT system Use of iKen case management system</p>	<p>The Practice not settling cases before actions</p> <p>Councils take action on unwinnable cases</p> <ul style="list-style-type: none"> - Head of Practice to review all proposed actions and advise originating Head of Service of prospects for success and risks.

SECTION 3: 2017/18 SERVICE DEVELOPMENT ACTIVITIES

Development objective	Lexcel Accreditation	Describe the desired outcome – what will it look like when it has been achieved?	The Practice will demonstrate independently-assessed quality assured legal services to customers A management accreditation recognised and run by the Law Society	Lead officer	Tom Lewis – Head of Practice
Is this a Project?	This is a project which has already commenced and is due for completion by April 2018				
Business Benefits			How will it be measured?		
<u>Standardised Procedure</u> <ul style="list-style-type: none"> - Integrating the historic teams to become one - Easier to influence historical cultural differences - More clarity for client services on points of contact - 			Feedback from staff to be sought through consultation Customer and staff satisfaction will be measured by way of regular feedback forms and meetings.		
<u>Meet Lexcel required standard in seven different areas</u> <ul style="list-style-type: none"> - Structure and strategy - Financial management - Information management - People management - Risk management - Client care - File and case management. 			Assessed by Lexcel accreditor		
Outputs & products		Resources	Responsible Officer		Target delivery date

Lexcel standard operation model Lexcel accreditation		Tom Lewis – Sponsor 3C’s Legal Practice Manager – Project Manager Practice Accountant – Finance	Tom Lewis	April 2018
Key risks		Verdict of inspector: success or not.		
Development objective	Reductions in Councils’ external spend on legal services.	Describe the desired outcome – what will it look like when it has been achieved?	Lead officer	Tom Lewis – Head of Practice
Is this a Project?	Yes			
Business Benefits		How will it be measured?		
-				
Outputs & products	Resources	Responsible Officer	Target delivery date	
	Tom Lewis – Sponsor 3C’s Legal Practice Manager – Project Manager Practice Accountant – Finance	Tom Lewis	Reports to be taken to Quarterly Management Boards on Progress.	



SECTION 4 – KEY PERFORMANCE INDICATORS (KPIs)

SECTION 4 – KEY PERFORMANCE INDICATORS (KPIs)

KPI Reference and Description	Reporting frequency	2017/18 Target	2017/18 Final Outturn	2018/19 Target	2018/19 Year End Estimate
Key Service Pls (to be selected from the action plan at section 2A)					
Staff productivity - 20 fee-earning staff to record 1,200 hours per annum	Quarterly to Boards	1,200 hr per annum	Not available at this stage	1,200 hr per annum	TBC
Cost effectiveness - Measure achievement of 15% saving from baseline budget as set out in business case - Income generated against target - Spend against budget - External spend / change in external spend against budget	Quarterly to Boards	£148,900	£148,900 saving achieved	Savings targets identified in original business case have been made.	TBC
Case Disputes Resolves in 3C Favour - Measure of percentage of disputes awarding in favour of 3C	Quarterly to Boards	75%	Not available at this	75%	TBC

KPI Reference and Description	Reporting frequency	2017/18 Target	2017/18 Final Outturn	2018/19 Target	2018/19 Year End Estimate
Customer Satisfaction Levels	Quarterly to Boards	90% satisfaction	Not available at this stage	90% satisfaction	TBC

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**BUSINESS PLAN FOR ICT SHARED SERVICE
2018/19**

Service Leads			
Head of 3C ICT Shared Service	Paul Sumpter		
	Cambridge City Council	Huntingdonshire District Council	South Cambridgeshire District Council
Director of Shared Service	Fiona Bryant	Oliver Morley	Mike Hill
Lead Councillor	CLr Robertson	CLr Brown	CLr Topping

APPROVED BY	Status	Date
Management Board	Draft	
Shared Services Partnership Board	Draft	
Joint Advisory Committee	Final draft	
Cambridge City Council [<i>Executive Councillor and Scrutiny Committee</i>]	Final	
Huntingdonshire District Council Cabinet	Final	
South Cambridgeshire District Council Cabinet	Final	

3C Reporting timetable	
<p>Progress reports on Business Plan implementation and progress against key measures will be monitored at the quarterly 3C Management Board meetings and then submitted every quarter to the 3C Chief Executives' Board. Quarterly performance reports will be submitted to the Joint Shared Service Group (Leaders) prior to consideration by each partner at executive and scrutiny level.</p> <p>Quarterly performance reports will be produced to report on performance against key performance indicators agreed in the business plans, budget position and wider benefits.</p> <p>An annual report on the progress of shared services will be produced and presented at the relevant committees of partner authorities in the June/July cycle.</p>	
Version FINAL	Date 01 March 2018

SECTION 1: CONTEXT AND OVERVIEW

A. PURPOSE OF THIS DOCUMENT

This is the Business Plan for the ICT Service, part of 3C Shared Services, for 2017/18. It describes how the shared service arrangement outlined in the approved Business Case will be delivered to ensure objectives are achieved and business benefits are realised within a robust governance framework and in the context of the partner councils' corporate plans.

The following objectives have been agreed:

- Protection of services which support the delivery of the wider policy objectives of each Council.
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service.
- Savings through reduced management costs and economies of scale.
- Increased resilience and retention of staff.
- Minimise the bureaucracy involved in operating the shared service.
- Opportunities to generate additional income, where appropriate.
- Procurement and purchasing efficiencies.
- Sharing of specialist roles which individually, are not viable in the long-term.

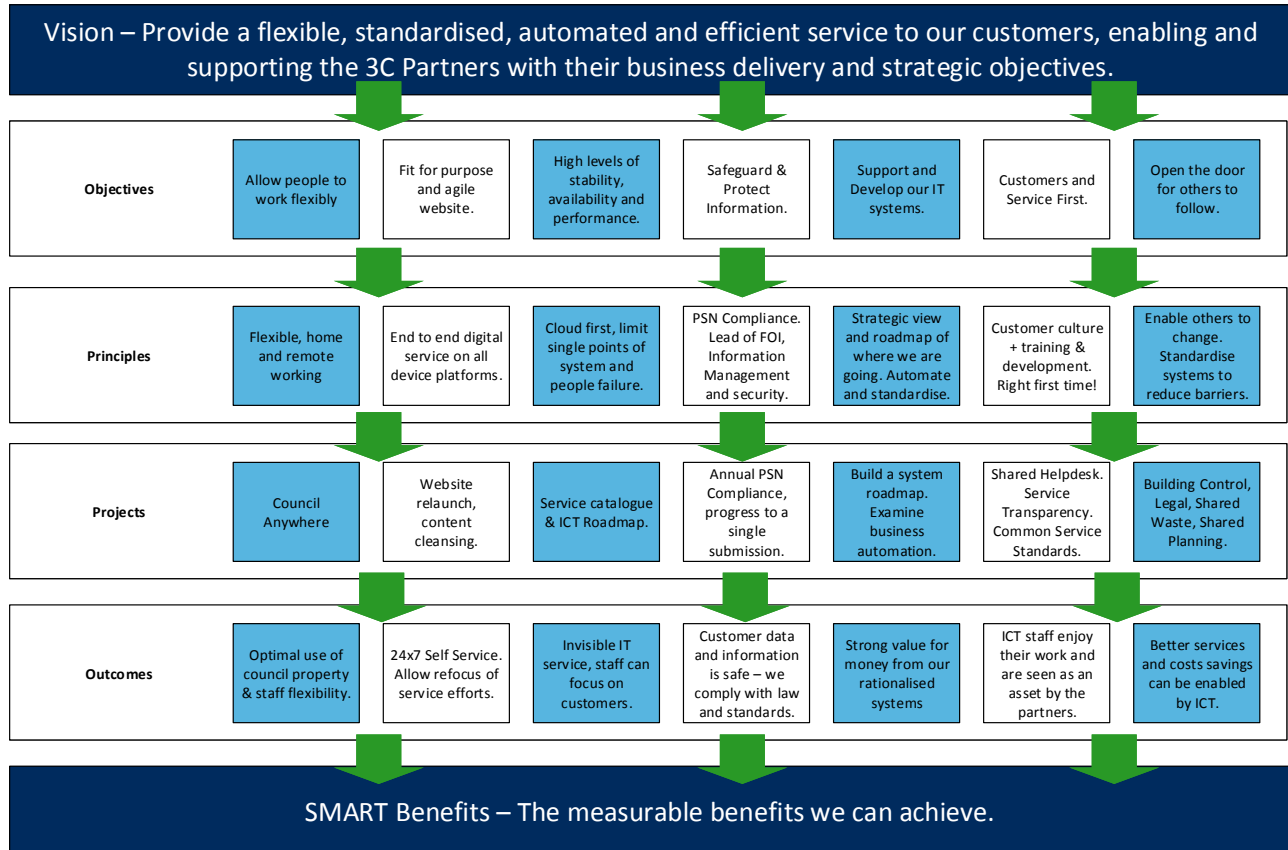
The Plan is divided into the following sections:

- Section 1: Context and Overview
- Section 2: Operational Plan (business as usual activities)
- Section 3: Development Plan (service improvement & project based activities)
- Section 4: Summary of Performance Indicators

B. DESCRIPTION OF THE SERVICE

Vision & Objectives

The following diagram summarises the vision and high level objectives for the 3C ICT Shared Service:



In essence, the drivers for the creation of the ICT Shared Service are:

- **Savings to the 3 councils:** creation of a single shared service increases efficiency and reduces the unit cost of service delivery.
- **Service resilience:** fewer single points of failure, and increased scale enables increased investment in ruggedized infrastructure, thus reducing probability and impact of service outages.
- **Collaborative innovation:** increased scale enables investment in roles such as technical architect / IT Analyst, which will be the catalyst for accelerating the design and delivery of next generation council services, with Digital First at their heart. In this way, the 3C ICT Shared Service will become thought leaders for evolution of council services, a position and level of investment which none of the 3 partner councils could afford on their own

In recent months the partners have aligned on their perception of IT and the overall strategic direction of the service and have rallied around a 5 year Roadmap encompassing the strategic direction for IT and Digital services. There is recognition that 3C ICT is an enabling service that will allow the respective partners to transform the way that Council services are delivered and that IT is no longer just a service cost. This alignment has been achieved through active engagement from 3C ICT with all service leads across the partnership. This common approach will allow the partners to derive maximum benefit from the service.

The **Digital and ICT Strategy** together with the **Service Catalogue** are the primary documents outlining the strategic intent for the service and describe the current service offerings provided by the ICT Shared Service. These important documents are managed under the approval of the 3C Management Board, and will continue to evolve throughout the life of the ICT Shared Service.

In summary, the following is the current list of ICT Services detailed in the Service Catalogue:

- Service Desk and End User Support.
- Network and Infrastructure Support.
- Communications Support.
- ICT and Digital Strategy Formulation.
- Technical / Solutions Architecture.
- ICT Project, Procurement, Contract and Supplier Management.
- ICT Bespoke Service Delivery.
- Data Centre Management.
- Telephony Management.
- Data and System Backup and Recovery.
- Local Area Network (LAN) & Wide Area Network (WAN) Management.
- ICT Security Management.
- Email Support & Web Filtering.
- Desktop Provision / Replacement.
- Office Computer Provision.
- Flexible / Homeworking Service.
- Mobile ICT Provision (incl. smartphones & tablets).
- Print Facilities.
- Audio Visual Facilities (provision & support).
- Database administration and management.
- Application Maintenance and Support.
- Release Management (Infrastructure and Applications).
- GIS Management.
- Address Management.
- Information Governance/Management.
- Website and intranet Support (incl. web apps and web forms).
- Website development.
- SharePoint / Office 365 Support and Development.
- System Integration Support and Development.
- Training.
- Compliance (inc PSN / PCI).
- Licence Management / SAM.
- Test Plan Development.
- Client Service Management.
- Finance and Billing.
- System packaging (AppV / SCCM etc).
- Unix / Linux Physical Windows support
- Business analysis & Business support.

In addition to delivering the “traditional” ICT service such as Service Desk and Applications Support, the portfolio of services includes less traditional “thought leadership” types of services, which are seen as

essential for the three partner authorities to achieve their strategic goals. For example, “Digital First” delivery of front line council services is strategically vital in order to deliver the level of savings and customer satisfaction required of the councils.

The **Technology Roadmap** is the other important document describing service capability. It describes the planned changes / additions / modifications to service delivery as well as identifying the financial opportunities to leverage the economies of scale needed to fulfil the anticipated savings desired from the service. It includes the relative priorities of these changes (MoSCoW), together with a mapping of which of partner(s) wish these change(s). As with the service catalogue, this document is also managed under change control, and will continue to evolve throughout the life of the Shared Service.

Together, the Service Catalogue and Technology Roadmap provide a complete and comprehensive description of the services (current and planned) that will be provided by the 3C ICT Shared Service. In order to deliver the services described in the catalogue, a new structure has been designed for the ICT Shared Service, which is now complete following the incorporation of the outsourced support model at Cambridge City Council. The overview of the service structure is provided in Section D.

Aims & Priorities

The aims and priorities of the service are to provide the right ICT services at the right price point to enable the partner councils to achieve their goals. Within the template of the service catalogue, each of the individual services will have a clear priority, service availability, service support details, KPIs and a service owner.

Regular Service Delivery Reviews between the ICT Shared Service management team and the management teams of each of the partner councils are taking place with the view to further refine and improve the delivery. Through these reviews, operational issues will be discussed, reviewed and (where necessary), service improvement plans will be developed including prioritisation.

All three councils approved the proposal to create the service, and hence the ICT Shared Service now has a mandate to operate for the next 5 years (assuming it meets the required cost & service parameters).

Whilst not a formal partner of the ICT Shared Service, there was a key working relationship with Northgate, to whom Cambridge City outsourced their ICT Service some years ago. In April 2017 this outsourced service was formally transitioned to 3C ICT allowing additional posts to be created to formally finalise the shape of the support offered.

Benefits Realisation

This business case will achieve the Financial savings through standardisation of the existing 3 environments. As line of business systems are standardised it is very likely that there will be additional service specific operational savings realised by each discrete partner service through the introduction of more efficient digital platforms. The operational savings will be realised and reported by the relevant service areas. 3C ICT are working on engagement models to help the services realise and be responsible to account for these benefits moving forward. This supports the fact that 3C ICT is an enabling service and no longer just a cost centre.

C. FINANCIAL OVERVIEW

Several changes have been made to the financial element of the Business Plan for 2017/18 financial year and moving forward. The original 2015 business case made some broad assumptions regarding the possible cost saving opportunities which were not feasible at the time of the business case. It is clear that any significant savings were only going to be derived from some large partner wide rationalisation projects affecting key line of business systems. Such rationalisation of key services in the first year of the service to realise the savings in the original profile would therefore not be possible. The original business case budget also did not forecast that there would be a heavy reliance on hired staff whilst permanent staff were recruited to key roles.

The financial profile of the Business Plan has been remodelled below to show a pragmatic stepped approach to savings recognising the (a) significant dependence on hired resources in the first year of the service and also (b) recognising the procurement practicalities of rationalising several key “line of business” systems across partners when there was little or no correlation of vendors. The original 2015 business case financial summary is provided in the following tables to allow for easy comparison with the revised financial model.

The original baseline also excluded a number of fundamental costs which are included in the following tables. This revised baseline is used to calculate all costs (apportionment, savings etc) moving forward, the original baseline is shown to give an appreciation of the uplift due to the missing costs.

Finally, this section details a fairer approach to apportionment of cost/savings. The original business case budget assumed that if the partner contributed more to the overall revenue pot there would be a corresponding proportional saving benefit or contribution to overspend. The ultimate goal is to develop the service business case towards a fairer usage model and as such the following approach to the apportionment of cost is outlined below:

- (1) **Staff Costs** – The contribution towards the staff element of the business case effectively represents the service delivered by 3C ICT. In the following revised model the contribution of the partner to the staff element of the budget is used to calculate the percentage of the service the partner should expect. The proportion of time committed to partner projects and business as usual support will be reported through routine monthly service management reports.
- (2) **Project Costs** – The contribution to new projects will be based on the utilisation of the live system. In essence, the cost of each shared project will be split amongst the number of expected users in the proposed system from each partner. Partners may have specific implementation requirements due to a variety of reasons. In such cases where there is no perceived benefit for the other partners this will be funded directly from the partner requesting any additional/enhanced features.
- (3) **Shared Costs** – Those projects resulting in the realisation of truly shared service systems will usually involve ongoing running/support costs. These running costs for shared systems will be based on the number of users from each partner.
- (4) **Legacy Costs** – These include systems/services and ongoing procurement commitments the partner is directly liable for. These costs will be charged directly back to the originating partner. This will serve to further incentivise partners to support and work with 3C ICT to develop opportunities to adopt a shared approach. This in turn will help the service unlock and realise the economies of scale by moving as many services as practical into the Shared approach.
- (5) **Charges** – Partner invoicing based on the approach above will be charged on a quarterly basis including any overspend to avoid the hosting council carrying the liability of the other partners.

This approach will prevent the subsidy of respective partners in the event of overspend, focus partners on supporting the Shared Service “Buy once and use three times” principle and provide fairness and transparency in relation to partner contributions. This approach will be adopted immediately moving forward from the acceptance of this business case.

Re-Forecast 3C ICT Revenue Budget

The top part of the table below shows the revised business case financial summary including all of the elements omitted from the original business case as a revised baseline. With the CCC/NPS outsourced contract being used to fund additional roles within 3C ICT a revised budget is detailed in the bottom section of the table. With the NPS contract now funding staff roles indexation is applied and future Microsoft licensing requirements to support the business case and licensing compliance. The updated baseline and budget case also includes all previously missing costs.

Budget category	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21	Year 6 2021/22
Baseline Staff ¹	£3,406,695	£3,492,568	£3,562,419	£3,633,667	£3,706,341
Baseline Other ²	£3,386,677	£3,827,564	£3,896,795	£3,967,411	£4,046,759
(a) Baseline Total ICT	£6,793,372	£7,320,131	£7,459,214	£7,601,078	£7,753,100
Budgetary Staff Costs	£3,198,000	£3,081,000	£3,100,660	£3,163,553	£3,227,704
Budgetary Other Costs	£3,311,495	£3,427,725	£3,388,959	£3,349,419	£3,416,407
(b) 2017 Revised Budget	£6,509,495	£6,508,725	£6,489,619	£6,512,972	£6,644,111
Forecast Staff Savings	£208,695	£411,568	£461,759	£470,114	£478,636
Forecast Other Savings	£75,182	£399,839	£507,836	£617,992	£630,352
Revised Savings Plan	£283,877	£811,406	£969,595	£1,088,106	£1,108,989
Savings Percentage vs Baseline	4.2%	11.1%	13.0%	14.3%	14.3%

¹ Includes Information Governance Staff costs transferred within FY2016/17 and staff funded from NPS contract. Indexation of 2% applied to model future staff costs.

² Includes additional CCC contract transferred within FY2016/17 and additional support arrangements funded by NPS contract. Indexation of 2% applied to model future service costs.

- **Row(a)** represents the revised partner running costs before 3C including all missing items.
- **Row(b)** represents the revised budget based on actual running costs from 2016/17 and a revised savings profile projected forward.

To better reflect fairness between contributions the distinction is made between what comprises the service element of the Shared Service and the ongoing running costs of the partners. Moving forward any partner overspend against budget for legacy costs will be charged directly back to the originating council based on actuals to ensure that the integrity of the original baseline can be accurately monitored (in essence anything not transferred as part of the original budget will be charged back direct to the partners).

Budget Narrative

The savings represented within the tables above are planned changes to rationalise existing partner support arrangements and leverage the benefits of scale. Benefits realisation from activities detailed within the **Roadmap** and **Digital & ICT Strategy** will be evaluated separately.

FY17/18 – Contractor resource requirements fully removed from 3C ICT staff compliment.

FY18/19 – Contribution for Microsoft Licensing increases to support partner SMART flexible working Requirements (£366,000 increases). No previous Microsoft Licensing in HDC original profile (£160,000). Various contracts removed due to ongoing rationalisation work with vendors already in progress (£316,000 reduction in revenue costs planned from Contender/Civica DBA Support/DR Contract Cambridge City/NPS DBA Support and Server Room consolidation project).

FY19/20 and FY20/21 – Modest assumption surrounding savings due to procurement of new shared systems. (£100k in each year) and further contract consolidation. Potential for other savings based upon **Roadmap** activities.

Approach to Funding CCC/SCDC Digital Programmes

Both CCC and SCDC have emerging Digital and Web projects. To ensure that the financial business case detail is able to reflect the original baseline costs of the respective partners it has been proposed that any recruitment needed to support these emerging projects will be funded directly by the partners and shown outside of the nominal operating costs for the service to avoid confusion.

There are clear benefits from such posts being directly homed within the existing 3C ICT Digital team but a separate business case will be developed to fund any such post to avoid confusion and to allow the savings objectives of the Service to be achieved. Revenue will be transferred to 3C ICT as income to fund such initiatives.

Proposed Service (Staff Element) Apportionment

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21	Year 6 2021/22
Cambridge City Council ¹	32.7%	44.8%	45.1%	45.1%	45.1%	45.1%
Huntingdonshire District Council	38.4%	31.5%	31.3%	31.3%	31.3%	31.3%
South Cambridgeshire DC	28.9%	23.7%	23.6%	23.6%	23.6%	23.6%
Grand Totals	100%	100%	100%	100%	100%	100%

¹ The Cambridge City Council service (staff) contribution increases due to the novation of the Northgate contract used to fund additional service Staff posts. Year 1 is shown only to illustrate this change.

Cost of 3C ICT Shared Service by Partner

ICT Shared Service costs per partner	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21	Year 6 2021/22
Cambridge City Council	£3,102,395	£3,080,494	£3,070,924	£3,080,425	£3,142,430
Huntingdonshire DC	£2,065,833	£2,097,672	£2,090,349	£2,096,345	£2,138,548
South Cambridgeshire DC	£1,341,268	£1,330,559	£1,328,347	£1,336,202	£1,363,133
Grand Totals	£6,509,495	£6,508,725	£6,489,619	£6,512,972	£6,644,111

Figures show above are only estimated based from original proportional contribution. Actual charge backs to the partners will be based on actuals As detailed previously, the avoidance of the sharing approach for actuals avoids any potential cross-subsidy issues.

Savings from 3C ICT Shared Service by Partner

The following table details the estimated split of savings per partner.

ICT Shared Service savings per partner	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21	Year 6 2021/22
Cambridge City Council	£131,378	£382,845	£458,883	£517,178	£527,125
Huntingdonshire District Council	£89,768	£261,041	£312,338	£351,195	£357,943
South Cambridgeshire DC	£62,732	£167,520	£198,374	£219,734	£223,921
Grand Totals	£283,877	£811,406	£969,595	£1,088,106	£1,108,989
Cumulative Total Saving	£283,877	£1,095,283	£2,064,878	£3,152,984	£4,261,973

Key Financial Risks/Observations.

1. Many of the Roadmap activities could see operating costs increase (for example the Shared Waste procurement project, HDC currently has no system and will therefore incur additional cost which is not currently forecast). As these projects are dependent on procurement it has been assumed that there is no uplift against operational costs, all such projects will have a separate business case and justification which will include the impact on revenue budgets.
2. Regional staff salaries for key skills become difficult to recruit/replace resulting in significant overspend due to hired staff.
3. Exchange rate variances pose a genuine risk to the ICT budget forecast due to a large number of non-UK software suppliers (as was seen with the anticipated Microsoft Licensing uplift reflected in the business case).
4. There is currently no way to reflect operational savings derived from ICT project benefit against the 3C ICT service. Currently this would just be seen as an operational ICT cost uplift even though there are clear benefits for the operational teams for doing so.

C. FINANCIAL OVERVIEW (ROADMAP: HIGH LEVEL CAPITAL INVESTMENT FORECAST)

The table below represents the proposed capital investment profile based on the ICT Roadmap for major applications. All investment will undergo formal scrutiny through existing partner budgeting processes. All systems will be procured in line within ICT Strategy principles.

Council	Roadmap Activity	2018-19		2019-20		2020-21		2021-22		2022-23	
		CapEx	OpEx	CapEx	OpEx	CapEx	OpEx	CapEx	OpEx	CapEx	OpEx
CCC	Council Anywhere (Initial investment and rolling desktop upgrade)	£496k						£98k		£98k	
	Waste System	£463k	£38k		£38k		£38k		£38k		£38k
	Housing Management System	£650k									
	Shared Planning System	£230k									
	Environmental Health System			£200k							
	Revs & Bens System					£500k					
HDC	Council Anywhere (Initial investment and rolling desktop upgrade)	£637k						£160k		£160k	
	Waste System	£329k	£33k		£33k		£33k		£33k		£33k
	Housing Management System										
	Shared Planning System										
	Environmental Health System			£200k							
	Revs & Bens System					£500k					
SCDC	Council Anywhere (Initial investment and rolling desktop upgrade)	£360k						£66k		£66k	
	Waste System	£164k	£16k		£16k		£16k		£16k		£16k
	Housing Management System	£500k									
	Shared Planning System	£270k									
	Environmental Health System	£40k		£200k							
	Revs & Bens System					£500k					

Assumptions:

- Env Health costs are based on worst case scenario of Civica soft market testing.
- Revs & Bens is an estimation based on similar sized systems.
- Only 2018/19 costs are based on soft market testing prices and have been submitted via partner bid process. Cost may vary during procurement process.
- It is anticipated that any efficiency savings needed due to uplift of revenue budgets will be met by the service.
- Many of the 2018/19 costs are driven from Shared Service activities which are the main reason for frontloading the profile.

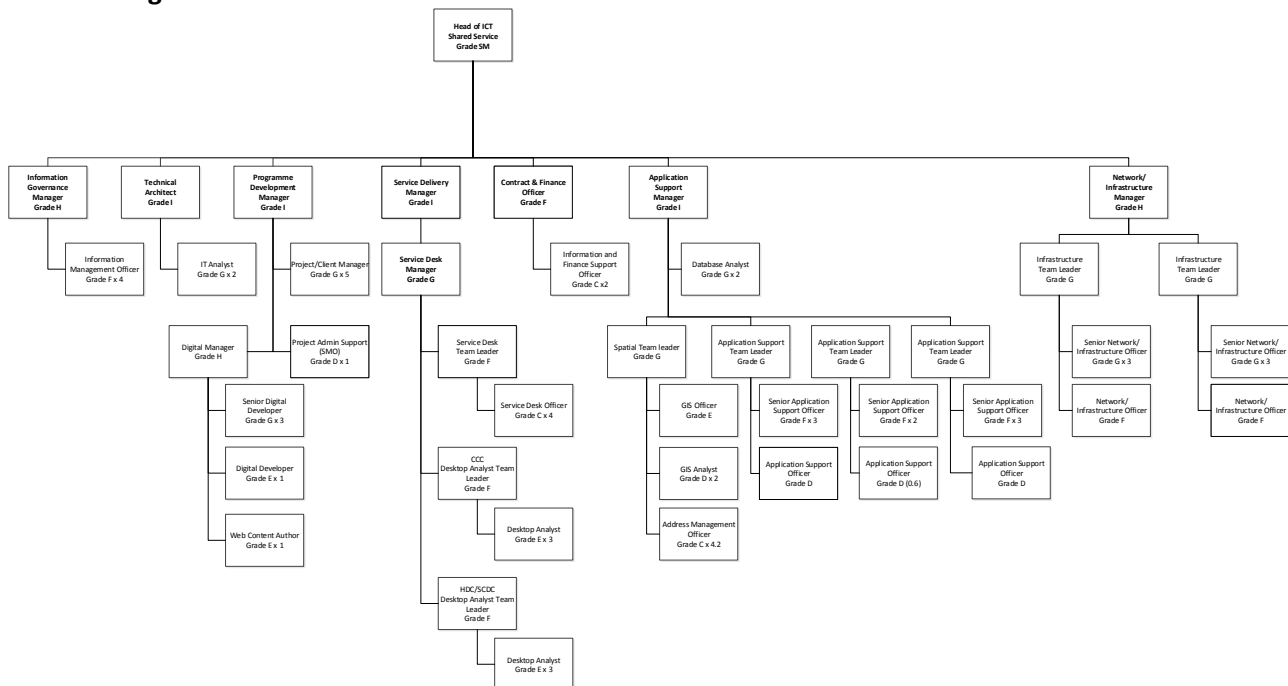
D. STAFFING OVERVIEW

Huntingdonshire is the employing authority.

The structure was shaped by the following Key Principles:

1. Integrate the current three ICT org structures into a single structure.
2. Ensure this structure has clear accountabilities for delivering the scope of work described in the ICT Shared Service Catalogue.
3. Ensure ICT Shared Service has sufficient knowledge and experience to provide thought leadership to the three councils as they seek to evolve their services to a “digital first” world.
4. No more than 7x direct reports for any role within the structure.
5. Minimize the number of management layers between the Head of Service and all roles within the ICT Shared Service.
6. Move towards stronger alignment with the ITIL management model.
7. Provide a single shared services structure, with roles spanning the needs of all clients (as opposed to siloed teams serving each council).

2018 ICT Organisational Structure



Incorporation of the outsourced contract from Cambridge City allowed many of the original capacity and skills gap issues inherent within the original combined structure to be resolved. These included:

- **Project / Client management:** Additional roles were added to this service area and will play an important part in the deployment of key business solution changes (e.g. new financial management system, council anywhere, shared service initiatives and other key roadmap activities). As of April 2017 this team is at full compliment.
- **Contracts and Finance Management:** This role is critical to providing management of 3C ICT financial performance and identification of potential savings from existing partner council commitments.
- **Network / Infrastructure:** A scarcity of permanent staff with these skills was mitigated in the early days of the service through the utilisation of hired staff. This was not ideal, and the resulting staff overspend in Year 1 was predominantly due to the excessive use of interim staff. Restructuring the team has allowed the service to attract some key skillsets needed to manage a large and complex infrastructure.

E. LOOKING BACK

Achievements (2017/18)

A number of discrete projects are either in flight or completed in the last year.

Transition of NPS to 3C

The end of April 2017 saw the remainder of the ICT support structure at Cambridge City Council (CCC) move over to 3C ICT from the incumbent supplier Northgate Public Services Limited (NPS). The migration project started in earnest at the start of the year and saw a lot of key staff from 3C ICT involved in the transition of the service. Although, not the smoothest of journeys the final elements of the NPS service were taken on-board without incident.

Previously to this move, the ICT support services were provided through a mixture of NPS and 3C functions. Completing this move allows the 3C ICT Shared Service to plan better and provide services in a consistent manner to all three partners and reduce the complexity of the service provision. Management control over this previous arrangement was also very difficult, support is now being provided by a single accountable supplier to all three partners with a common Digital and ICT vision.

The additional revenue has allowed 3C ICT to complete the shape of the service offering through the recruitment of additional posts into the service which were being previously provided by expensive hired staff. Most of the gaps have now been filled with a much smaller dependency on hired resources which will allow 3C to maximise the staff savings opportunities envisaged within the original business 2015 business plan.

Server Room Consolidation Project

This project was commenced in 2016 and will involve the rationalisation of all of the 3 partners server room infrastructures into a single solution that will standardise the hardware environment, improve business continuity, improve stability/performance. The project will provide a server platform that will meet future requirements for the 3 partners whilst leveraging significant savings. The migration to this platform will see HDC, CCC and SCDC migrate to this platform over the forthcoming months and is planned to be completed by the end of 2017. This single project should unlock almost £200,000 per annum of savings (2018 business year) through the consolidation of these services.

Cambridge City Council (CCC) Network Review

A full review of the network infrastructure at CCC was conducted in March 2017. The standard of this key element of the CCC infrastructure was very poor and was viewed as a barrier to effective working and resulting in lost productivity and limitations on the systems and software that can be run across the Council network. During the first quarter of 2017 3C ICT visited all the sites that are connected to the Council network and performed a detailed reviewed of the ICT infrastructure. In March 2017 CCC gave 3C the approval to initiate a project to overhaul the infrastructure from existing transferred budgets. The project is planned to be completed in October 2017. The overhaul is cost neutral but should have a significant impact on incumbent issues with the reliability of the CCC infrastructure.

4 Stars from SOCITM

The Digital Team in 3C ICT were proud to be notified that Socitm awarded the Huntingdonshire District Council (HDC) website 4 stars in an assessment completed in early June 2017. Socitm has announced that 35 out of 416 councils in total received 4 stars. Of the 200 shire district councils, only 16 got 4 stars.

Remote Access Upgraded in South Cambridgeshire District Council (SCDC)

Migration of users onto the new Net Connect remote access system at SCDC has now been completed with 300 users now using the new portal to connect remotely. The new system has resolved compatibility issues and ensures PSN compliancy.

Single ICT Service Desk

A single ICT Service desk for all support, change and service requests was established in December 2016. This allows 3C ICT to have a single view of the customer's service requirements and provides a platform to allow 3C ICT to monitor and further refine the service offering.

F. LOOKING FORWARD

Short to medium term:

The initial focus of the 3C ICT Management Team is to stabilise the service in terms of process and technology. The transition of the additional support overhead to 3C ICT due to the novation of the Northgate contract has been met with a few challenges resulting in a dip in performance largely due to slightly misaligned processes. From a service perspective, there is a short-term action plan in place to address this. Stabilisation of the service is not just about people though, a common approach to technology has been established and moving forward the standardisation approach within the Roadmap. Projects such as Council Anywhere, Server Room Consolidation and Pegasus (Network standardisation at CCC) will allow the creation of a standardised and reliable environment which will allow the team to focus on value add activities instead of just keeping the lights on.

Medium term however, the plan is to standardise the desktop and infrastructure into a single logical environment so that support can be offered, delivered, monitored and tuned in a standard way. This is a key deliverable of the 3C Digital and ICT Strategy and will see a business case submitted for "Council Anywhere" which the brand name given to the 3C ICT Desktop Transformation and Standardisation initiative. A standard support environment will create the support space needed to deliver further improvements from the service whilst delivering one of the key strategic drivers which is to allow all of our staff to work flexibly. By consolidating the three separate ICT systems of the partner councils and bringing them to the same high standard, the ICT Shared Service will create a more cost-effective operation than any of the individual partners could provide.

The "Council Anywhere", "Cambridge City Network Upgrade" and the "Server Room Consolidation" projects will reduce the cost of supporting the entire environment, improve reliability, facilitate automation opportunities, improve service delivery whilst providing a very robust disaster recovery and business continuity processes.

Longer term:

With the **Technology Roadmap** established 3C will engage with Partners to continuously identify and review 3-way opportunities to rationalise the application environment, potentially unlocking further cost savings. This activity is already happening but will continue to be an ongoing theme as there are a wide variety of applications to rationalise across the three partners. Each review point is also the opportunity to assess the Digital capabilities of the respective service vertical and ensure that newly procured line of business systems can support fully digital end to end transactions.

The **Technology Roadmap** (mentioned above) will be the means whereby these service evolution steps will be specified, prioritised, controlled and managed.

Risks & threats: The following table describes the key risks, and associated mitigation actions:

Risk Description	Risk Mitigations
The Shared Service is not able to adequately protect the partner ICT environment from Cyber Crime threats and maintain PSN compliance.	An extensive programme of external audit activities has been established to review the Service's approach to the management of these critical areas of ICT operations. This programme also includes the ongoing compliance plan for PSN compliance. Audit activities focus on procedural, organisational and operational approaches to ICT security. The service has already deployed a significant number of counter measures to combat the overall threat posed by security.
Shared Service benefits are not adequately captured nor regularly checked and monitored leading to inaccurate reporting and potentially lack of support (incl financial)	Business cases have been developed and presented to each council's committee cycle for consideration and approval. Benefits have been identified and quantified wherever possible and quarterly performance reporting agreed.
Service standards are set at different levels across the three Councils, leading to customer and Member complaints about differing service levels from a shared service.	Clear principles to be established to agree how service standards will be developed and approved. To support standardisation where this is appropriate but allow for local variation where this is required, costing model to reflect cost implications of different service delivery. A single Service Catalogue will be reviewed by the partners on a frequent basis.
Overall financial savings targets are unrealistic and unachievable, leading to service 'cuts' being required elsewhere to meet the shared service saving shortfalls.	Savings targets to be regularly reviewed as part of performance monitoring and evaluated as part of the development and delivery of the Shared service business case Business cases to include robust financial analysis and risk / sensitivity analysis for projected savings. Cost sharing proposal that service budgets are at 85% of pre-shared service levels initially, which automatically builds in savings in year 1. Posts being held vacant where appropriate until structures are agreed, offers early possible savings.
No communication plan is in place leading to employee rumour and dissatisfaction and the lack of 'buy-in' or cynicism with the shared service model.	Regular communications from project boards and PBSS. Full communications plan has been developed & is being implemented by a communications, workstream leads and programme manager. A number of methods of engagement have been adopted to ensure staff needs are met – 1 to 1s, group meetings, briefings, written communications, email updates.
The uncertainty arising from a shared services delivery model causes uncertainty amongst impacted employees, leading to them resigning and the Council's losing expertise and knowledge that would be beneficial to the re-engineering of the service.	Communications and engagement plan for staff to support change management and manage uncertainties HR processes clear and well communicated Effective, timely and robust consultation with staff
The ICT infrastructure is not robust enough to support the requirement of staff to work across multiple sites, leading to a reduction in service levels and the failure to agree the financial savings identified.	ICT shared service priority is to deliver "Council Anywhere". The ICT strategy & implementation plan captures the short, medium and long-term actions needed to facilitate flexible, multi-site working and standardisation.

<p>Shared Services do not deliver the expected good quality services to internal and external customers</p>	<p>Agreed service standards to be developed and approved. These will support standardisation where this is appropriate but allow for local variation where this is required, costing model to reflect cost implications of different service delivery</p>
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G. COMMUNICATION AND ENGAGEMENT

The ICT Shared Service uses a variety of methods for communication with their staff, customers and key stakeholders.

The **3C ICT and Digital Strategy** outlines the intent and vision of the ICT Shared Service. This is shared and disseminated to all partners via the 3C Management Board. The document, as well as outlining short to longer term objectives, also outlines the principles to which partners engage with 3C ICT and each other to ensure that the service is able to meet the objectives of the original business case.

The **Service Catalogue** outlines the main functions delivered by the ICT Shared Service, including performance indicators, role responsible for delivering the function and the main components to be delivered. This document has been drafted by the staff within ICT and will be released to customers from across the Partner Authorities for comment and feedback to help shape the services being delivered.

The **Major System Technology Roadmap** is the forward plan of technological development of the ICT Shared Service, it outlines the timelines for moving to new or different technologies and details how Application rationalisation opportunities will be identified. The Head of Service and Technical Architect will lead on effective engagement with key service areas to define their future needs and ensure they technical solutions are built into the roadmap.

The **Delivery Programme** is the forward plan for the ICT Shared Service. This plan captures the needs of services from across the Partner Authorities and sets out the timeline for the work to be completed, the roadmap is the responsibility of the Development Manager who will lead on consultation with the partner Intelligent Clients to ensure the programme of work is aligned with strategic partner objectives.

Communications within the ICT Shared Service team will continue via the ‘weekly comms’ email that reports on progress for forming the new ICT Shared Service.

SECTION 2: OPERATIONAL PLAN 2017/18

SECTION 2A: BUSINESS PLAN PERFORMANCE INDICATORS

This Section sets out the “Business as Usual” priorities and the activities that 3C Shared ICT Services will undertake to deliver value-adding services to customers.

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	Priorities for the service	State where these priorities are outlined (i.e. Corporate plans, ICT strategy)	Actions that will deliver the priority	Outputs from the activity	Outcomes from the activity
1	Deliver high standard of system availability	ICT and Digital Strategy, Service Catalogue.	Develop a list of services provided with customer service standards Develop the Technology roadmap to outline forward plan of work.	Service Catalogue. Technology Roadmap.	Services across the Partner Authorities understand and have confidence in the functions being delivered Builds trust in the ICT Shared Service to deliver their services and maintain high performing ICT, thus allowing the Partner Authorities to focus on their own customers.
2	Support and develop our IT systems	ICT and Digital Strategy	Build a technology roadmap. Examine business processes and enable automation wherever possible. Proactive management of vendors/contracts.	Have a clear understanding of the technological direction for the future. Clearer simpler processes that involve less human interaction and that can be replicated elsewhere. A single set of invoices and contracts to administer.	The Partner Authorities are confident that we are getting value for money from the ICT investment

3	Open the door for others to follow	ICT and Digital Strategy	Support the work of the following Shared Services, Building Control, Legal, Waste, Planning and Finance. Council Anywhere Business Case and Project.	Standard applications. Ability to access, use or administer systems centrally Enable the services to change	These shared services deliver a more efficient function and better value for money.
4	Allow people to work flexibly	ICT and Digital Strategy	Council Anywhere Business Case and Project.	Flexible Working Home working Remote Working Office Space Rationalisation.	Allow flexible working, staff are able to have a better work life balance with home or remote working. Better use of accommodation as staff are able to utilise different buildings or venues in a more flexible manner

SECTION 2B: SERVICE KEY PERFORMANCE INDICATORS

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KPI	Performance Measures <i>(provide a list only - target information is included in section 4)</i>	Dependencies <i>(ICT, Finance, Human Resources, accommodation etc)</i>	Key risks to delivery <i>(include how these will be mitigated)</i>
KPI-1	Customer Satisfaction	ICT	Three logical environments present a challenge to providing the service, this coupled with a 15% reduction in staff has placed the service under stress. Plans to standardise the support environment are in place to create capacity within the service and reduce the duplication of effort.
KPI-2	Service Availability	ICT	
KPI-3	Incident Performance	ICT	
KPI-4	Service Desk Response	ICT	
KPI-5	Service/Work Order Request Performance	ICT	
KPI-6	Project Delivery Performance	ICT	
KPI-7	Staff Budget Savings	ICT, Finance	HDC salaries are not competitive for key ICT skilled staff resulting in excessive "Hired Staff" overspend. Mitigated via restructuring to provide competitive salary and career progression, apprenticeships.
KPI-8	Software and Services Savings	ICT, Partners, Finance	Partners do not engage fully with Roadmap objectives adopting to retain legacy systems in favour of non-rationalisation. Mitigated through sign off against principles within the 3C ICT and Digital Strategy.

SECTION 3: 2017/18 SERVICE DEVELOPMENT ACTIVITIES

SECTION 3A: SERVICE DEVELOPMENT OBJECTIVES

DEVELOPMENT OBJECTIVE DO17-001

Development objective	Allow staff to work flexibility from home and across the 3 partner Authorities.	Describe the desired outcome – what will it look like when it has been achieved?	Staff are able to access any system they require from any site or home	Lead officer	Development Manager/ Technical Architect
Is this a Project? (Yes/ No) and description	<i>No this is a programme of works – There are a series of projects that need to be delivered to enable staff to work in a more flexible manner. The first phase includes providing access to all sites via a single swipecard mechanism, access to centralised resource booking, availability of hotdesks and the provision of global protect enabled laptops and tablets as part of the “Council Anywhere” initiative.</i>				
Business Benefits			How will it be measured?		
1. Enables the cultural change of staff working in a partnership environment			Staff satisfaction survey		
2. Maximises the usage of existing accommodation, and enables the partner Authorities accommodation strategies to be implemented.			Percentage of desk space used, and ratio of staff to desks across the partner offices		
3. Provides a standardised enterprise architecture resulting in improved service stability and reliability.			Reduced Service Desk calls/incidents.		
Outputs & products		Resources	Responsible Officer		Target delivery date
Install a single common card reader system. Implement a single cloud based resource booking system. Council Anywhere desktop transformation. Follow me printing solution.		ICT and facilities staff ICT with input from facilities and accommodation staff	Andy Wood (Facilities) 3C ICT Project/Client Manager		<i>End FY2018</i>
Key risks		Three-way agreed Sign off on required expenditure for key elements of the project(s) detailed in the programme. Mitigated through extensive partner engagement.			

DEVELOPMENT OBJECTIVE DO17-002

Development objective	Implementation of a single Financial Management System.	Describe the desired outcome – what will it look like when it has been achieved?	A single system, and standard processes in use by all three partner Authorities	Lead officer	CCC S151 Officer
Is this a Project? (Yes/ No) and description	<i>Yes – This is a procurement and implementation of a new system to replace the three existing IT applications, along with the standardisation of business processes. This is fundamentally Finance lead project but ICT are providing the External Contractor resource to the project. ICT are not involved as Senior Supplier in this project.</i>				
Business Benefits			How will it be measured?		
1. A single system will mean less administration overheads for the ICT Application Support Staff			Service availability time, call resolution time, customer satisfaction		
2. A standardised system will enable staff in Finance to work in a more efficient and flexible manner, and potentially work across the different partners, maximising the staff resources					
3.					
4.					
Outputs & products	Resources	Responsible Officer		Target delivery date	
Following tender process an order and contract for a new Financial management System Standard configuration setup (documented)	Accountancy, project management, legal Accountancy, IT Analyst	3C ICT Project/Client Manager 3C ICT IT Analyst		April 2018.	
Key risks	Use of a vendor without key experience of UK local government system requirements.				

DEVELOPMENT OBJECTIVE DO17-003

Development objective	Consolidation of the existing data centres and replacement of the SAN storage system.	Describe the desired outcome – what will it look like when it has been achieved?	Provide a main and secondary data centre with SAN capacity to run all server requirements for the partner Authorities	Lead officer	Technical Architect & Network/Infrastructure Manager
Is this a Project? (Yes/ No) and description	<i>Yes – Procurement of a new SAN to accommodate the data for all three partner Authorities, and consolidation to a main and secondary data centre. The secondary site is a live mirror of the main site so that it will provide a dynamic fail over option in case of an emergency or disaster.</i>				
Business Benefits			How will it be measured?		
1. Reduction in ICT administrative overheads for multiple data centres			Call resolution time by Network staff, Network and server availability and performance metrics		
2. On site dynamic disaster recovery options with the secondary backup site, allowing the cessation of external options which currently cost £110k per annum			Cost benefit analysis		
3. Closing of certain data centres, especially within Cambridge will enable the Cambridge City accommodation strategy to be delivered.			Successful utilisation of space at key locations in Cambridge City Council.		
4. Anticipated Business Case savings of £200k per annum.			ICT Budget Performance.		
Outputs & products		Resources	Responsible Officer		Target delivery date
Consolidated data centres New SAN software		ICT Network and project management	3C ICT Technical Architect and Project/Client Manager		April 2018.
Key risks		Vendor has under specified solution, mitigated through a detailed design phase managed milestone.			

SECTION 3B: SUMMARY OF SERVICE DEVELOPMENT OBJECTIVES

Service Ref No:	Service Objective and Outcome plus links to partnership objectives, relevant strategies and plans (<i>i.e. what do we want to achieve and why are we doing it?</i>)	Lead Officer(s)
DO17-001	Allow staff to work flexibility from home and across the 3 partner Authorities. <ul style="list-style-type: none"> • CCC OAS Strategy • HDC Transformation Programme – “WorkSmart” work stream. • SCDC Commercialisation of Office Space and Rationalisation Targets. • 3C ICT and Digital Strategy. 	Development Manager/ Technical Architect
DO17-002	Implementation of a single Financial Management System. (Finance Lead objective)	Development Manager / External PM Resource.
DO17-003	Consolidation of the existing data centres and replacement of the SAN storage system. <ul style="list-style-type: none"> • 3C ICT and Digital Strategy – Standardisation and rationalisation. 	Technical Architect/ Network/Infrastructure Manager

SECTION 4: KEY PERFORMANCE INDICATORS (KPIs)

Organisational, Service and Corporate Plan Performance Indicators

The table below should list organisational performance indicators (KPIs) applying to the service, key PIs from the action plan in section 2A and any PIs from partners' Corporate Plans that this Service is responsible for reporting against.

No Key Performance Indicators were previously established for the 3C ICT Service in the original business case. The follow table details the newly established measures, reporting frequency for each measure and the current business plan target for the current business plan year. Each measure is detailed in the 3C ICT Service Catalogue. Measures reported quarterly will be provided to the 3C ICT Management Board in line with routine reporting and service governance.

KPI Reference and Description		Reporting frequency	2017/18 Target
Key Service PIs (to be selected from the action plan at section 2B)			
KPI-1	Customer Satisfaction (Partial) ¹	Quarterly	80%
KPI-2	Service Availability	Quarterly	95%
KPI-3	Incident Performance	Quarterly	80%
KPI-4	Service Desk Response	Quarterly	90%
KPI-5	Service/Work Order Request Performance	Quarterly	80%
KPI-6	Project Delivery Performance	Quarterly	80%
KPI-7	Staff Budget Savings	Annual	£210k
KPI-8	Software and Services Savings	Annual	£80k
Business Plan KPIs (all PIs in the Business Plan that your service is responsible for should be listed here at Section 2A)			
Customer Satisfaction (Full) ¹		Bi-Annual	80%
Deliver high standard of system availability		Quarterly	95%
Support and develop our IT systems (Roadmap and Strategy Sign Off)		Quarterly	Complete
Open the door for others to follow		Quarterly	Ongoing
Allow people to work flexibly		Quarterly	Business Case

¹ Customer satisfaction surveys will be conducted through service desk feedback on a quarterly basis, in full adopting a full questionnaire approach bi-annually.

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BUSINESS PLAN FOR INTERNAL AUDIT 2018/19

Service Leads		
Head of Shared Service	Jonathan Tully	
	Cambridge City Council	South Cambridgeshire District Council
Director	Fiona Bryant	Alex Colyer
Lead Councillor	Cllr Robertson	Cllr Edwards

APPROVED BY	Status	Date
Management Board	Draft	24/01/2018
Shared Services Partnership Board	Draft	24/01/2018
Joint Advisory Committee	Draft	24/01/2018

CCC/SCDC Reporting timetable	
<p>Progress reports on Business Plan implementation and progress against key measures will be quarterly at the Shared Service Management Board meetings and then submitted quarterly to the Shared Service Chief Executives' Board. Quarterly performance reports will be submitted to the Joint Shared Service Group (Leaders) prior to consideration by each partner at executive and scrutiny level.</p> <p>Quarterly performance reports will be produced to report on performance against key performance indicators agreed in the business plans, budget position and wider benefits.</p> <p>An annual report on the progress of shared services will be produced and presented at the relevant committees of partner authorities in the June/July cycle.</p>	
Version FINAL	Date 02/03/2018



VISION

The Accounts and Audit Regulations 2015 require that the Council “must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes; taking into account public sector internal auditing standards or guidance.”

The Public Sector Internal Audit Standards (PSIAS) require that the Head of Audit “must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”.

The Council has a Shared Internal Audit Service (SIAS) who assists both CCC and SCDC to discharge its governance responsibilities. Our work will support the Council’s corporate objectives, and the corporate governance framework.

To achieve this, the team has a set a clear Vision Statement. This identifies the desired future outcomes for the Shared Internal Audit Service (SIAS):

To be valued as an integral part of the business by providing high quality assurance, acting as a catalyst for change and advocating improvements to risk management, control and governance processes.

The Vision Statement has been shared and discussed with the internal audit team, the management teams at each Council, and has been subject to review and challenge. It is supported by the two Chief Executives.

The Vision will be delivered by Objectives, which have supporting Principles, planned Activities and targeted Outcomes. These are detailed in Appendix A - The Vision.



SECTION 1 – CONTEXT AND OVERVIEW

A. PURPOSE OF THIS DOCUMENT

This is the Business Plan for the Shared Internal Audit Service (SIAS), part of CCC/SCDC Shared Services, for 2018/19.

The Plan reflects the shared services principles, set out in the “Business Case and Proposal” which was approved by both Councils in 2017. The rationale for its establishment is that it will provide the opportunity to deliver a more resilient and responsive service resulting in:

- improved audit coverage that is of high quality.
- increased productivity
- potential for audit services to be offered commercially

The Plan is divided into the following sections:

- Section 1: Context and Overview
- Section 2: Operational Plan (business as usual activities)
- Section 3: Development Plan (service improvement & project based activities)
- Section 4: Summary of Performance Indicators

B. DESCRIPTION OF THE SERVICE

A. Description & Functions of the Shared Internal Audit Service

Internal Audit has a vital role to play, as a key business partner, in helping Councils manage effectively through the challenges they face by ensuring that governance, risk management and control arrangements remain effective.

To do this successfully, internal audit teams need to be fit for purpose and provide assurance of the necessary quality, depth and coverage.

The key service objective is to provide assurance on each Council’s control environment, comprising the systems of governance, risk management and internal control – and will include the following functions:

- preparation and delivery of annual audit plans to each Council that are reflective of their strategic plans and objectives and the risks to their achievement
- providing an annual opinion on the adequacy and effectiveness of the Council’s control environment and which may be used as a key assurance source when drafting the Annual Governance Statement
- communicating with stakeholders, in a timely and appropriate manner, the results of work undertaken
- considering whether operational and management arrangements are delivering the most economical, effective and efficient use of resources
- providing support and advice on new developments, policy initiatives, programmes, projects and emerging risks



Additional functions of the SIAS are to :

- Facilitate, and provide evidence, for the Annual Governance Statement, which is a summary of how the Council complies with its Local Code of Governance.
- Working with the external auditors, where appropriate, to provide assurance over core financial systems.
- Lead on aspects of the Councils approach to anti-fraud and corruption, such as strategy, policy update, reporting and completing data analytics. The SIAS is the key contact for the National Fraud Initiative, an annual exercise to proactively detect potential fraud and error. This was not included in the original business case for SIAS, and is an additional piece of work.

B. Service Model

The team currently operates from the two main sites (Cambridge City Guildhall and South Cambridgeshire Hall), although they may work from any Council site where a review is relevant.

Historically the service model was based around two separate teams, with a shared management. Whilst this enabled a reasonable amount of shared intelligence, it was not integrated. Consequently there are different processes within each site. Establishing a centralised team, which operates from both sites, will enable economies of scale and smarter ways of working.

A risk based plan is completed annually, in consultation with management, to help ensure that work reflects both corporate priorities and corporate risks. The details of the plan are then presented to each Councils equivalent audit committee for approval. The plan is designed to be flexible, so that work can be re-prioritised in response to the continually changing risk environment. This approach helps to ensure that the scarce resources are allocated in such a way that they add the most value to the Council.

Adequately resourcing the team, and having an established brand, are both important factors for delivering the service model. Recruitment, and marketing the team, have been documented in Section 2 – Operational Plan, and Section 3 – Service Development Opportunities.

C. FINANCIAL OVERVIEW

The Shared Internal Audit Service is a support service, with costs recharged to both Councils. The risk based audit plan identifies the resource requirements for both Councils. The budget for the team is predominantly spent on resourcing, which is 88% of annual costs.

The current budget for the service can be analysed as:

Activity	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21
Staff costs ¹	289,080	289,080	289,080
Other operational costs ²	9,220	9,220	9,220
Corporate Support costs and recharges ³	30,800	30,800	30,800
Total costs	329,100	329,100	329,100

1. Staff costs are predominantly the salary, NIC and pension costs of the team. With current vacancies in the team these costs will include agency workers.
2. Other operational costs include transport costs, professional costs, training and development, and IT costs.
3. Corporate Support costs and recharges include overheads for buildings and administrative costs.



The resource requirements for the combined audit plan are anticipated to be the same over the medium term; consequently the budget is expected to be a similar position in years two and three. The budget will be annually reviewed, with the audit plan, and adjusted for inflation and other costs.

Over the longer term the team aims to market services externally to generate additional income. Market analysis will be completed, along with brand development, in years 1 – 2, which will enable income projections to be built into the financial overview. Costs will potentially increase with income generation, as the resource need will also increase. This will still provide improved resilience and efficiencies for the two Councils, as the team develops, and help to deliver the vision.

D. STAFFING OVERVIEW

The SIAS is a relatively small team, and consequently changes to the establishment can have a significant impact on both the budget and resources of the team. The current establishment, as reported in the Business Case, comprises:

Role	Position / FTE
Head of Internal Audit	1.00 FTE
Principal Auditor	0.00 vacant
Senior Internal Auditor	0.76 FTE
Senior Internal Auditor	1.00 vacant – resourced through Agency
Senior Internal Auditor	1.00 vacant – resourced through Agency
Senior Internal Auditor	1.00 vacant – resourced through Agency
Assistant Auditor	0.76 FTE

There is no professional standard for calculating how to resource Internal Audit Teams. There are various factors to consider, and it should reflect the risk environment of the organisation, which in turn informs the annual plan.

The risk appetite, and subsequent resource need, will change over time according to the risk profile of the Councils. For example undertaking new alternative delivery models can increase the risk profile, and require more assurance, whereas implementing smarter controls may reduce risk and consequently the need the independent review. It is therefore appropriate to consider whether the team is adequately resourced when compiling the annual plan.

The resource calculation for the short to medium term is the same as previous years, and recruitment is in progress for two of the vacant Senior Internal Auditor posts. The current vacancies have also provided an opportunity to review the structure of the team, which will be aligned to the approved budget in 2018/19 and the longer term strategy.

A new Head of Internal Audit (Jonathan Tully) has recently joined the Council, at the end of December, to help lead this change.

Previous years plans have been split approximately 75% CCC and 25% SCDC. All members of the team can work at both sites, with their skills and capabilities being used where it is most effective. The current aim is to have a team with a variety of complementary skills and capabilities, and also to offer opportunities for continuous professional development.

We will also be reviewing existing working arrangements to ensure that practices in place are the



most appropriate for the new SIAS. These will include a look at remote and flexible working arrangements, technology, and also our accommodation needs. This is anticipated to be carried out from 2018/19.

Over the longer term the team aims to become commercial and provide services beyond the two Councils, and additional resource may be required in the team to achieve this.

E. LOOKING BACK

There were two main drivers behind the decision to consider setting up the SIAS:

- CCC and SCDC desire to have a strong business focussed leadership model, in line with other shared services, to lead the shared Internal Audit Service across the two Councils.
- Bringing together the professional discipline of internal audit into one team, provides the opportunity to deliver a more resilient and responsive service that would allow internal audit work to be carried out seamlessly and without boundaries across the two Councils.

The SIAS has not had an easy year as there have been significant staff changes within the team. Consequently there have been reductions in resources which have been managed by utilising agency workers. This was recognised as a potential risk in the business case. Consequently much of the year was devoted to maintaining “business as usual” in a challenging environment.

Despite the challenges there have been positive achievements over the last 12 months, including recruitment of the Head of Shared Internal Audit (HSIA), TUPE of the SCDC post into CCC for consistency, plus completing the core work, audit plan, Annual Governance Statement and providing supporting and assurance on key projects.



F. LOOKING FORWARD

Looking forward, to develop the SIAS, we have both an immediate short term plan (looking at years 1 – 2), and also a longer term plan (years 2 – 5), which forms our strategy. This enables us to align our objectives to the organisation, and have a road map based on the CCC/SCDC overall strategy, stakeholder expectations, regulatory requirements and the role of the other risk functions.

Approach

The approach to developing our strategy is based on the following steps:



Develop or refine the strategic vision of the SIAS. Firstly we needed to establish the function’s roles and responsibilities, the needs of its key stakeholders, its mandate and what it should accomplish over a long-term period. *The vision is included as Appendix A to this plan.*

Identify and prioritise key strategic initiatives. Based on the mandate and strategic vision, we need to align initiatives to key business risks and key operational and financial priorities. This is achieved by development of the annual risk based plan, and by consulting with our stakeholders. We also need to make sure our processes, methodologies and tools are up to date, we have the professional and functional insights we need, and that our staffing model is flexible enough to anticipate change and address emerging risks/issues. *PSIAS compliance will provide assurance for this.*

Design the appropriate key performance indicators (KPIs). We need to determine how the SIAS measures its success against the prioritised initiatives, how it aligns with stakeholder expectations, and how to track productivity and value-driven measures. *These are documented in Section 2 of this plan.*

Develop an operating strategy. Detail activities that enable the SIAS to achieve its strategic initiatives. Determine key milestones and how the function is communicating its progress to key stakeholders. Also, put steps in place that enable internal audit to adapt to changing priorities so it can maximise its relevance to the Council.

The outcome of this approach, and key activities, is detailed below. This strategy provides a focus for the team, and the Shared Services Board. Years 2 – 5 will need to be adaptable, to ensure the strategy remains relevant, and will be updated in future business plans.



Short term plan

2018/19 will be an important year for the team, as there are a number of immediate challenges ahead.

Resources	Recruitment of staff, to substantively fill vacant positions, will help establish the team as an adequately resourced shared service, with team members working across both sites.
Brand awareness	<p>It will be important to market the new team, so that our customers understand that the SIAS has been set up, and can be utilised to support projects and add value.</p> <p>We will launch the new branding and logo. This will be incorporated into working papers, reports, and public documents to help support the brand.</p> <p>Both CCC and SCDC have internal intranet pages. Specific pages will be developed to promote the SIAS.</p>
Quality Assurance and Improvement Program	<p>Internal Audit teams have to follow Public Sector Internal Audit Standards, and also the sectorial Local Government Application Note. An external assessment has to be completed every five years to demonstrate that the team meets the standards.</p> <p>This is now due, and it will be good to have a review of the new SIAS to identify any further improvement opportunities. Being able to demonstrate compliance with the standards is also a fundamental requirement when marketing the service externally, so that we can provide services to customers beyond the Shared Service.</p>
Governance	The team provides assurance, and helps to facilitate the Annual Governance Statement. The timetable for producing this document has reduced, and there is a requirement to produce this document earlier. The team will work with other key officers, to ensure this is produced on time to accompany the Statement of Accounts.
Performance management	<p>Currently there are limited systems for managing the internal audit processes, and there is still a reasonable amount of paper based files.</p> <p>The team will develop a framework for monitoring performance with a suite of KPIs tailored to the relevant stakeholders (e.g. team based outputs, client based outcomes, and shared services board strategic outcomes).</p> <p>The team will explore opportunities to use technology in smarter ways, which will help productivity. As Internal Audit work involves reviewing and accessing other teams systems, there will also be dependencies on the systems development as part of the 'Council Anywhere' project.</p>



Longer term strategy

2019/20 to 2023/24 will be an opportunity for the team to build upon the success of the short term plan, and develop the activities of the SIAS, which can help to generate revenue.

Commercial activities	Over the longer term the team aims to become commercial and provide services beyond the two Councils. The target is to get new business within years three to five. To achieve this, the SIAS will complete market analysis to identify potential customers, promotion of services, and developing draft contract specifications so that opportunities can be quickly agreed and delivered.
Brand awareness	It is important to promote the brand externally, and marketing material under the “Greater Cambridge” brand will be developed, such as an external web presence, to reach new customers.
Resources	The resources of the team will need to be continually reviewed, with potential investment to compete commercially. This could include additional recruitment, training and development.
Performance management	As the team develops there may be a business case for purchasing a supported Internal Audit Management system. This will be dependent upon potential economies of scale, value for money, and we will look at what is available in the marketplace.
Develop real time risk assessments	<p>An annual risk assessment is no longer enough if internal audit wants to remain relevant to its customers. To ensure that the audit plans are adding value we will develop a real time based risk analysis which supports a dynamic and agile audit plan. This will enable us to provide a customer focussed approach, whilst ensuring that our resources continue to be allocated effectively.</p> <p>In addition the team will develop a data analytics program that can be embedded into the entire audit life cycle. Using analytics can produce more focused risk assessments, more efficient execution, increased risk coverage and more effective reporting.</p>
Governance	The team will work with key officers and stakeholders to ensure that the SIAS is providing relevant assurance for the AGS, by mapping assurance sources. In addition the team will help to facilitate workshops to review the format of the AGS to ensure it is effective for its customers.
Other assurance activities	One of the benefits of providing services to more than one customer is that the SIAS can share good practice. We will consider other assurance activities where the SIAS can objectively add value, such as participation in project and governance groups, and promote this as further good practice.



G. COMMUNICATION AND CONSULATION

As the SIAS is new, brand awareness has not been established with our customers.

The SIAS will be presenting Internal Audit plans to their audit committees, (known as “Civic Affairs” in CCC and “Audit and Corporate Governance” in SCDC) and is also consulting with Management to identify the main risks and opportunities for both Councils. The plans are being considered jointly, and this will provide a further opportunity to promote the brand.

The SIAS will participate in professional networks, which will provide an opportunity to promote the brand with peers.

The team has intranet pages, which provide useful resources for employees. These will be reviewed and updated, which will also help to promote the brand.



SECTION 2 – OPERATIONAL PLAN

This Section sets out the “Business as Usual” priorities and the activities that the SIAS will undertake to deliver value-adding services to customers.

	Priorities for the service	State where these priorities are outlined <i>(i.e. Corporate plans, ICT strategy)</i>	Actions that will deliver the priority	Outputs from the activity	Outcomes from the activity	Lead Officer
1	Complete a resource assessment of the team and recruit employees into vacant posts.	Internal Audit Plan	Recruitment	New members of the team recruited. A complimentary mix of skills and resources within the team.	An adequately resourced team which can work smarter across multiple sites and provide effective assurance to customers.	HIAS
2	Complete an External Quality Assessment (EQA)	Internal Audit Plan	5 year EQA followed by annual IQA	Compliance report Action plan for further improvement.	Assurance that team complies with PSIAS and LGAN.	HIAS
3	Deliver a joint risk based plan for CCC / SCDC	Internal Audit Plan	Assurance and advice	Reports and assurance statements	Assurance for the Annual Governance Statement. Opportunities for continuous improvement	HIAS
4	Key contact for NFI	Internal Audit Plan	Data upload and investigation	Assurance of controls and recovery of fraud and error	Assurance and control improvement	HIAS
5	Annual Governance Statement	Internal Audit Plan	Assurance mapping	Annual HSIA opinion on internal control	Unqualified opinion from External Audit	HIAS



The Internal Audit team has a number of KPIs currently in development, and it is likely these will comprise the themes below.

Firstly there are some critical business based objectives. These are useful as internal management information, providing assurance that the SIAS is operating effectively.

Priority	Performance Measures (provide a list only - target information is included in section 4)	Dependencies (ICT, Finance, Human Resources, accommodation etc)	Key risks to delivery (include how these will be mitigated)
1	<p>Legality: <i>Compliance with PSIAS and LGAN</i></p> <p>The SIAS will demonstrate that it is professionally competent.</p>	<p>Internal Audit Charter, Internal Audit Manual, and key documents and procedures.</p> <p>Availability and support of key personnel including HIAS, S151, Monitoring Officer, and Committee Chair.</p>	<p>Working processes are non-compliant, which could lead to reputational risk.</p> <p>A review will be completed internally before the EQA so that the majority of actions can be proactively managed.</p>
2	<p>Effectiveness: <i>Timely assurance provided to key stakeholders.</i></p> <p>Key information, such as performance updates, annual outturn and AGS, will be reported promptly.</p>	<p>Availability of key officers, systems and access to records.</p>	<p>Insufficient resources within the team to complete sufficient work for an audit opinion for the AGS. Customers unreceptive to audits because of competing priorities such as new system / project delivery.</p> <p>Manage by recruitment and project plan management.</p>
3	<p>Efficiency: <i>Productive use of resources</i></p> <p>The team will demonstrate that time and resources are used effectively.</p>	<p>Project planning and resource management.</p>	<p>Resources are not utilised effectively.</p> <p>This will be managed by risk appraising, prioritising and monitoring work.</p>



4	<p>Business success: <i>Customer satisfaction</i></p> <p>Whilst it is important that SIAS can be objective, we also aim to add value to our customers and will actively ask for feedback.</p>	<p>Customers completing satisfaction questionnaires and providing feedback for continuous improvement of service.</p>	<p>Insufficient resources within the team to respond promptly to customer demand.</p> <p>Manage by recruitment and development plans. Action plans from feedback.</p>
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Traditional KPIs have focused on internal audit's productivity, such as utilisation or completing the audit plan. However, more effective KPIs can focus on the value internal audit is delivering to the organisation. While it is not always possible to set a SMART target for these, they can provide useful information to demonstrate how outcomes are being achieved, which can also be marketed to potential customers. Measureable value-drivers can include:

Priority	Performance Measures (provide a list only - target information is included in section 4)	Dependencies (ICT, Finance, Human Resources, accommodation etc)	Key risks to delivery (include how these will be mitigated)
1	<p><i>Business cost savings realised.</i></p> <p>It is good to demonstrate how we have helped the Council make savings by reviewing both our own processes and also those of our customers.</p>	Effectively trained SIAS employees who are commercially focussed.	<p>SIAS employees are not commercially aware. Consequently too much focus on compliance and risk control.</p> <p>Manage commercial awareness by training. Record successes, which can also be used to promote the SIAS to customers.</p>
2	<p><i>Leading practices implemented.</i></p> <p><i>Benchmarking and business insights internal audit brings to the business</i></p> <p>It is good for SIAS to provide consultancy and advice to customers, to help improve processes.</p> <p>Good practice and lessons learned can be shared as good practice with customers.</p>	<p>SIAS ability to think beyond compliance based audit work.</p> <p>Access to information, professional networks and key officers in the Council.</p>	<p>Key risk is SIAS not perceived to be adding value. Managed by SIAS team:</p> <ul style="list-style-type: none"> - operating at multiple sites and sharing good practice with customers. - horizon scanning for latest developments, opportunities and risks - involvement in corporate projects



SECTION 3 - SERVICE DEVELOPMENT ACTIVITIES

Guidance on completing action plan tables for service improvement work and projects

Development objective 1 – External Quality Assessment to PSIAS	The SIAS has to demonstrate compliance with Public Sector Internal Audit Standards and the Local Government Application Note. An External Quality Assessment is required once every five years, and is due for both SIAS.	Describe the desired outcome – what will it look like when it has been achieved?	Compliance with the PSIAS demonstrates an effective SIAS.	Lead officer	Jonathan Tully
Is this a Project? (Yes/ No) and description	Yes – This is a project as it has a start and end date. The project will involve timetabling collation of evidence, plus interview with key stakeholders. At the end of the assessment the SIAS will be rated, with recommendations for continuous improvement.				
Business Benefits			How will it be measured?		
Assurance that SIAS is compliant with Internal Audit Standards			<i>External Quality Assessment</i>		
As above.			<i>Unqualified opinion for Annual Governance Statement</i>		
Improved reputation to support ability to compete in marketplace.			<i>External Quality Assessment</i>		
Outputs & products	Resources		Responsible Officer	Target delivery date	
	<i>IA Team and Stakeholders</i>		<i>Jonathan Tully</i>	<i>July 2018</i>	
Key risks		<i>Insufficient resource to prepare assessment</i>			



Development objective 2 –Improve procedures	Integrate processes between the two sites to leverage efficiencies. Aim to have one consistent reporting format and working papers. Adopt digital working where possible for efficiencies. Implement management tools.	Describe the desired outcome – what will it look like when it has been achieved?	Utilise digital working Simpler and more efficient processes.	Lead officer	<i>Jonathan Tully</i>
Is this a Project? (Yes/ No) and description	<i>No – continuous improvement, which will also be a standing item at team meetings. IA work involves reviewing other systems, so there will be some dependencies on other projects, such as ‘Council anywhere’</i>				
Business Benefits			How will it be measured?		
Improved flexibility for team members			Review of working papers.		
Increased efficiency			Decrease in working days / increased output		
Increased resilience			Staff multi-site working		
Outputs & products	Resources	Responsible Officer	Target delivery date		
		<i>Jonathan Tully</i>	March 2019		
Key risks	Lack of buy in to procedural change, infrastructure doesn't support new procedures				

Development objective 3 –Development of the team	The team needs to recruit into current vacancies, where team members have left to progress their career in other organisations. The risk, that employees may leave, was recognised as a risk in the original business case, so it is important to offer continuous professional development and career opportunities where possible.	Describe the desired outcome – what will it look like when it has been achieved?	A fully resourced team with a complimentary mix of skills and capabilities. Development opportunities.	Lead officer	<i>Jonathan Tully</i>
Is this a Project? (Yes/ No) and description	No – Business as Usual				
Business Benefits			How will it be measured?		
Improved service to clients			Customer satisfaction		
Increased resilience			Reduced turnover and reduced requirement for contract and consultancy staff		
Outputs & products	Resources	Responsible Officer	Target delivery date		
		<i>Jonathan Tully</i>	<i>September 2018</i>		
Key risks	Unable to recruit from current market, lack of available quality candidates				



Development objective 4 – Quality Management System	Quality Management System for the SIAS. A continuous quality assessment helps the team to manage and prioritise their workload, plus analyse completed work to help inform future work plans.	Describe the desired outcome – what will it look like when it has been achieved?	Management information to help strategic planning	Lead officer	<i>Jonathan Tully</i>
Is this a Project? (Yes/ No) and description	No.				
Business Benefits			How will it be measured?		
Improved service to clients			Customer satisfaction		
Increased efficiency					
Outputs & products	Resources	Responsible Officer	Target delivery date		
Key risks		Minimal risk – should be business as usual.			



Development objective 5– Brand Awareness	Develop brand awareness for the SIAS	Describe the desired outcome – what will it look like when it has been achieved?	A strong and distinctive brand is marketed to customers.	Lead officer	<i>Jonathan Tully</i>
Is this a Project? (Yes/ No) and description	No –will require immediate resource to set-up certain activities such as intranet refresh, updated report formats, but should then become business as usual.				
Business Benefits			How will it be measured?		
Improved service to clients			<i>Customer satisfaction</i>		
Increased efficiency			<i>Self-service and customer feedback</i>		
Consistency of our product for customers			<i>Customer satisfaction</i>		
Outputs & products	Resources	Responsible Officer		Target delivery date	
		Jonathan Tully		<i>March 2019</i>	
Key risks	Minimal risk – should be business as usual.				



SECTION 4 – KEY PERFORMANCE INDICATORS (KPIs)

Organisational, Service and Corporate Plan Performance Indicators

The table below should list organisational performance indicators (KPIs) applying to the service, key PIs from the action plan in section 2A and any PIs from partners' Corporate Plans that this Service is responsible for reporting against.

These are currently in development, although will likely comprise the following themes:

KPI Reference and Description	Reporting frequency	2018/19 Target	2018/19 Outturn	2019/20 Target	2019/20 Year End Estimate
Key Service PIs (to be selected from the action plan at section 2A)					
Legality: Compliance with PSIAS and LGAN	Annually	Full		Full	
Effectiveness: Timely assurance provided to key stakeholders (including audit update reports and opinion for the Annual Governance Statement).	Quarterly	Full		Full	
Efficiency: Productive use of resources	Quarterly	80%		85%	
Business success: Customer satisfaction	Annually	TBC		TBC	
Business cost savings realised.	Quarterly	NA	NA	NA	NA
Leading practices implemented, and benchmarking and business insights internal audit brings to the business	Quarterly	NA	NA	NA	NA

APPENDIX A - THE VISION FOR SIAS

To be valued as an integral part of the business by providing high quality assurance, acting as a catalyst for change and advocating improvements to risk management, control and governance processes.

Objectives	Be a fully integrated commercial internal audit service across the 2 councils	Deliver robust assurance on risk management, control and governance processes	Be proactive, flexible, future-focused and innovative	Communicate in a clear, easy to understand and timely way	An attractive place to work
Principles	<p>One team.</p> <p>Alignment of audit plans & processes.</p> <p>Clear performance targets.</p>	<p>Audit plans aligned with the strategies, objectives, and risks of the authority.</p>	<p>Audit plans responsive to speed of developments.</p> <p>Increase in collaboration and systems development.</p> <p>Be trusted advisors.</p>	<p>Encourage customer input prior to, during and after work undertaken.</p> <p>Report in the most appropriate manner.</p>	<p>Develop people's contributions for the benefit of the team and the individual.</p> <p>Flexible, home and remote working</p>
Activity	<p>Review of structure.</p> <p>One audit plan across the 3Cs.</p> <p>Auditors work at any of the 3Cs.</p> <p>New audit manual & audit software.</p>	<p>Regular meetings with senior management to develop client relationships.</p> <p>Identify assurance gaps.</p>	<p>Undertake audits focused on specific & immediate risks.</p> <p>Promote best practice and new ideas (e.g. continuous auditing).</p> <p>Marketing the benefits that can be gained.</p>	<p>Report actions aligned to risk appetite.</p> <p>Redesign audit report format.</p> <p>Interim reporting to drive change.</p>	<p>Focused staff development and training.</p> <p>Agile working – to meet the clients' needs.</p>
Outcome	<p>Standard and consistent processes. PSIAS compliance.</p> <p>Auditors work to same goals & targets.</p> <p>Knowledge sharing amongst auditors and with managers.</p>	<p>Annual opinion report.</p> <p>Suggest ways to add value to service outcomes across 3Cs.</p>	<p>Real and immediate contribution to Council developments and initiatives.</p> <p>Provide timely advice when requested.</p>	<p>Influence and bring about meaningful change.</p> <p>Full and quick response to reports from managers.</p> <p>Educated client.</p>	<p>Motivated and engaged staff.</p> <p>Increased productivity.</p>

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Item

UPDATE ON THE WORK OF KEY EXTERNAL PARTNERSHIPS

To:

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and Transformation

Strategy & Resources Scrutiny Committee 19/03/2018

Report by:

ANDREW LIMB, ANTOINETTE JACKSON

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Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Not a Key Decision

1. Executive Summary

- 1.1 This paper provides an update on the work of the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership, Greater Cambridge Partnership and other growth-related partnerships. It also covers the work of the Cambridge Community Safety Partnership. The paper is provided as a part of the Council's commitment given in its "Principles of Partnership Working", to set out annual reports summarising the work of the key partnerships it is involved with.
- 1.2 The paper highlights the considerable amount of activity that is taking place in tackling some of the "big challenges" that the city is facing and shows the ongoing joint working between partners and government to help meet these challenges.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Continue to work with the Greater Cambridge Partnership and other growth-related partnerships and to work with the new model of delivery for the Local Enterprise Partnership under the Combined Authority, so that together we can address the strategic issues affecting Cambridge, to the overall benefit of citizens.
- 2.2 Continue to work within the Cambridge Community Safety Partnership to fulfill our obligations to help reduce crime and anti-social behaviour in the city.

3. Background

3.1. The strategic partnerships that are covered in this paper include:

- The Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership
- Greater Cambridge Partnership and
- Other growth-related partnerships, and the
- Cambridge Community Safety Partnership

4. The Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership (GCGP LEP)

- 4.1 Local Enterprise Partnerships were created in 2010 to “provide the clear vision and strategic leadership to drive sustainable private-sector led growth and job creation”. Emphasis was placed on local business leaders preparing investment strategies that responded to the needs of local economies, replacing what was thought to be unresponsive regional development agencies.
- 4.2 The GCGP LEP set out its economic priorities for the local area, based on a strategic assessment involving evidence from previous studies and research, in a Strategic Economic Plan (SEP). This formed the basis of its Growth Deal proposals to Government, which had in Rounds One

and Two secured over £110 million to support funding for a range of projects.

- 4.3 During the early part of the year GCCP LEP sought to renew its strategic focus taking into account the work of the new Combined Authority that will take the strategic policy lead across transport, infrastructure and housing for its area, with the GCGP LEP collaborating and representing the voice of business. A cross-over between the two bodies in the areas of skills and economic intelligence was highlighted at this time.

Growth Deal

- 4.4 In February 2017 the GCGP LEP received notification about the level of its Round Three Growth Deal funding. It had submitted a bid for £70.5 million taking into account the ongoing development of projects in its pipeline from previous deals, worth around £110 million, to support infrastructure and SEP priorities. In the eventuality £37.6 million was secured. Because the funding was provided as programme based funding, rather than supporting specific projects proposals, detailed use of the funding then had to be worked up with partners. Growth Deals are intended to provide capital funding to help overcome strategic barriers to growth.
- 4.5 During the year the previously agreed Growth Deal programmes, where the funding had been secured, were progressed with the repair and refurbishment of the footbridge near Queensgate Station, construction of the iMET centre, agreement of a feasibility study for Ely Area Capacity Enhancements and various other infrastructure projects, such as A14 to Huntingdon to Cambridge, underway.
- 4.6 The GCGP LEP also made progress on agreeing an extension to the Skills Contract (underwritten by the Combined Authority) and started to look at incentives to continue the success of Phase 1 of Alconbury Enterprise Zone, with the ending of enterprise zone relief for tenants. Some of the receipts from the Enterprise Zone were a matter of conjecture with Huntingdonshire District Council in the year.

European Funding Programme

- 4.7 Investment for growth is also a part of the European Funding Programme that the LEP has developed. Current projects include Signpost 2 Grow, which connects businesses to the help, support and the funding they need to grow as a part of ERDF, and a funding stream called Building Better Opportunities to help tackle barriers to work, co-financed by the European Social Fund and Big Lottery Fund.
- 4.8 The Treasury has provided assurances that all structural and investment fund projects, signed before the 2016 Autumn Statement, will be fully funded, even when these continue beyond the country's departure date from the EU. The Government is working on a replacement to EU funding in the longer-term and still feels LEPs (and local business leaders) are best placed to deliver local economic growth by influencing public and private sector investment and overcoming blockages.

Governance Arrangements

- 4.9 During 2017 the National Audit Office conducted an investigation into the governance of the GCGP LEP. During the investigation, and subsequently, funding for LEP programmes was withheld. At a meeting of the GCGP LEP Board held on 19 December the Board agreed to wind itself up as a company, as it was felt the Government had lost confidence in its leadership and model of delivery. The Leader of the Council is not a member of the LEP Board. The implications of this were considered at the meeting of the Combined Authority held on 20 December.
- 4.10 It was decided, in consultation with the Government, that the LEP will move under the Combined Authority from 29 March 2018 and a new model of delivery will be put in place, to be known as "the Business Board". This will have representation from key business sectors in the area to help deliver the national and local Industrial Strategy. It will be incorporated as a new company limited by guarantee. The Business Board will comprise a diverse group of business leaders and it will also continue to have public sector representation, including local authority representatives.

- 4.11 The purpose of the Business Board will be to deliver strategic advice to the Combined Authority. Its chair will continue to have representation on the Combined Authority Board with prescribed voting rights and the Mayor will also sit in the Business Board.
- 4.12 The Combined Authority will become the Accountable Body for all business growth funding streams from 1 April 2018. This responsibility will transfer from Cambridgeshire County Council.
- 4.13 The make-up of the Business Board will include senior representation from the following business sectors:
- Digital and Technology
 - Engineering and Manufacturing
 - Agriculture and Food
 - Environment and Water
 - Life Sciences and Pharma
 - Housing
 - Small and Medium Sized Enterprises
 - Education
- 4.14 GCGP LEP staff will be merged with that of the Combined Authority to form a single administration and at present a consultation is taking place in advance of a formal TUPE process. Proposals on this will go back to the Combined Authority.
- 4.15 The Government has approved the principles of the new arrangements for the LEP and a Shadow Board is being established during the interim to provide the basis for the new delivery model. The Government and the Accountable Body have now released short term funding and all existing programmes and support for businesses is being supported. The LEP now operates with greater transparency in the way it is managed, including more robust core governance strategies and systems.

5. Greater Cambridge Partnership (“the GCP”)

- 5.1 The Greater Cambridge Partnership operates as a Joint Committee and is the local delivery body for the City Deal agreement made in 2014

between five local partners and the Government to help secure sustainable future economic growth and quality of life in the Greater Cambridge area.

5.2 The vision for the GCP is to “unleash a second wave of the ‘Cambridge Phenomenon’, securing sustainable economic growth and quality of life for the people of Cambridge and South Cambridgeshire”. The projects that the GCP is currently investing in to fulfil its aims are grouped under the following headings:

- Housing and Strategic Planning
- Skills
- Smart Places, and
- Transport

5.3 A quarterly progress report on projects is provided to the GCP’s Executive Board. The latest report for November 2017 is attached at Appendix A. The following shows a summary of progress for selected projects under the headings listed above (5.2).

Housing and Strategic Planning

5.4 The local authorities have been working together to align their Local Plans that set out the amount, type and location of new development that will take place over the next 15-20 years. Independently- appointed Planning Inspectors have been reviewing the plans and have recently asked for some modifications to be made to make the two Local Plans “sound”. A six week consultation on these proposed modifications started in January 2018 and it is hoped that conclusions will follow in due course that will allow the plans to be finalised. One proposal was to prepare a new policy to say the Councils will begin to review the Local Plans in 2019 with a view to preparing a joint Local Plan for both Cambridge and South Cambridgeshire, which was a commitment given by the two councils as a part of the City Deal agreement with Government.

5.5 During the first year of the operation of the Greater Cambridge Housing Development Agency, a shared development service was set up by the local authorities to help deliver affordable housing, 274 affordable homes were completed in 2016/17. It is expected that the HDA will play a significant part in helping to meet the GCP’s target of delivering 1,000 additional affordable homes by 2031.

- 5.6 The local authorities are starting to streamline their planning processes, having already created two Joint Development Control Committees, and have agreed to create a single integrated plan and transport strategy in due course. A Planning Charter, setting out best practice working between the local authorities and developers on planning applications was published in January 2018.

Skills

- 5.7 Funded by the GCP, the “Form for the Future” social enterprise brings together schools and local businesses to allow students to learn about opportunities to develop the skills they need to be successful. During the past year Form for the Future have engaged and worked with over 288 employers and providers to deliver this programme. Form for the Future are also involved in delivering the Signpost2skills project, supported by the LEP, which aims to raise the aspirations of young people and increase the uptake of apprenticeships in STEM skill work areas.
- 5.8 GCP has also supported schools to develop their capacity by providing access to a careers coaching programme and in upskilling their staff to improve the delivery of careers information, advice and guidance. Cambridge Regional College are conducting a Training Needs Analysis to discuss with local employers how apprenticeships can be a part of their workforce development plans.
- 5.9 The GCP assessed in the last monitoring report that the skills work programme is on target and is further developing its skills strategy through a Skills Working Group, which will report back in early 2018 on progress.

Smart Places

- 5.7 With investment from the Greater Cambridge City Partnership, the Smart Cambridge programme is being scaled up from 2017-2020, to focus on maximising the impact of transport-related work through: better quantity, quality and use of data; embedding digital solutions and emerging technology, and; collaboration with business, community and academic sectors. The research is managed through Connecting Cambridgeshire and is overseen by a Project Board and an Advisory Group to steer the work and give technical guidance.

- 5.8 Smart Cambridge has published the findings of three feasibility studies, commissioned by GCP, looking at how 'intelligent mobility' - including autonomous (driverless) vehicles and 'smart' ticketing - could help to transform public transport across the region. The reports will help in the gathering of technical expertise and evidence to inform future investment decisions.
- 5.9 Current progress on the digital wayfinding project at Cambridge Station was assessed as being on target in the last monitoring report but the development of the Motion Map was said to have been delayed.

Transport

- 5.10 Through a range of projects the GCP is looking to create a transport network fit for a small, compact city served by a growing network of rural towns and villages. The Transport Strategy for Cambridge and South Cambridgeshire (TSCSC) is the basis for the GCP's transport programme and supports the Local Plans for Cambridge and South Cambridgeshire. The TSCSC was adopted in 2014, following public consultation and is due to be reviewed from 2019.
- 5.11 For the major transport projects Local Liaison Forums (LLFs) have been set up to provide regular dialogue between the project team and members of the local community to provide information and to allow people to have their say outside of meetings. Currently five projects have established LLFs.

Tranche 1 transport projects include:

City Access

- 5.12 City Access, which is a package of eight measures to tackle congestion within Cambridge that will look to achieve a reduction in peak-time traffic levels in Cambridge by 10-15% by 2031. The programme has been allocated approximately £10m to date and is assessed as being on target in the last monitoring report.

Histon Road

- 5.13 The Histon Road project aims to improve bus, cycle and walking options a more attractive alternative to travel by car. A detailed programme of LLF workshops took place through the autumn and winter of 2016/17 from which a set of resolutions emerged. Officers

prepared responses to these resolutions which have been agreed by the Executive Board. The basis of these responses is now being used to draw up a preferred design, which will be considered by the projects LLF. The project was assessed as being on target in the last monitoring report.

Milton Road

- 5.14 The Milton Road project aims to provide faster and more reliable bus journeys into the city, as well as safe and high-quality cycling and pedestrian facilities along its length. Draft designs for improvements were approved in July and during the Autumn and a number of task and finish groups established, to develop more specific designs. The outcomes will be reported back to the Milton Road LLF for consideration. This progress of this project has been assessed to be on target in the last monitoring report.

Chisholm Trail

- 5.15 The Chisholm Trail aims to create a mostly off-road and traffic-free route between Cambridge Station and the new Cambridge North Station. It will link to Addenbrooke's Hospital and the Biomedical Campus in the south and to the business and science parks in the north. A walking and cycling route has been accepted, including possible access points, for Phase 1 schemes, including a separate Abbey-Chesterton bridge project, which are due to commence in 2018. The Chisholm Trail LLF have been discussing key points in the development of the project but progress has been assessed in the last monitoring report as being under target due to delays in the preparation of detailed designs and matters of "buildability".
- 5.16 Other projects being developed included the Cambourne to Cambridge/ A428 Corridor and A1307 Three Campuses to Cambridge, A10 Cycle. A number of cross City cycle routes are presently being constructed and the A10 cycle route has been completed.

Tranche 2 projects

- 5.17 A number of projects in a second tranche are being developed for 2020 onwards. These include Western Orbital, Rural Travel Hubs, Greenways of cycle routes to surrounding villages, and an Ely to Cambridge Transport Study. This work is being aligned with that of the

Cambridgeshire and Peterborough Combined Authority, which is looking to bring forward some of the projects.

- 5.18 Reports into the feasibility of an affordable very rapid transit system have recently been released. It is suggested that a metro system, which could feature driverless vehicles and possibly tunnels under the city centre, could be a feasible option. Further development work on this concept will be taken forward this year.

Big Conversation

- 5.19 To inform and prioritise the GCP's long-term investment plans public feedback on its current aims were sought through a "Big Conversation" consultation between September and November 2017. As part of this consultation a Travel Survey was also conducted to find out how people travel around Greater Cambridge and what their travel preferences are.
- 5.20 The key findings from the "Big Conversation" were published in January 2018. The majority of people participating said they would be willing to get of their cars but only with significant investment up front in a fit-for-purpose public transport network. Detailed findings are presently being worked-up. These consultations are in addition to ongoing consultations and engagement around more specific issues. Current consultations include the Cambourne to Cambridge Consultation and Greenways public engagement.

Governance

- 5.21 The Greater Cambridge Partnership is led by a decision-making Executive Board which coordinates the overall strategic vision and drives forward the partnership's programme of work. It is run in accordance with a clear governance structure, agreed by all partners.
- 5.22 The Board is advised and informed by a Joint Assembly. The Joint Assembly provides advice to the Executive Board, drawing on the broad expertise of its 15 members. Both the Executive Board and the Joint Assembly meet at least four times a year. Papers relating to public meetings are published online and members of the public have the opportunity to participate in meetings of the Executive Board by posing questions to be discussed in public. Cllr. Lewis Herbert, Leader of Cambridge City Council, is presently Vice Chair of the Executive Board and Cllr. Kevin Price is Chair of the Joint Assembly.

6. Other growth-related strategic partnerships

- 6.1 Cambridge City Council has continued to work with four other Fast Growing Cities to emphasise to Government the particularly strong economic potential they offer to the UK economy, and the particular challenges that their success brings. These cities (Oxford, Swindon, Milton Keynes and Norwich) share many of Cambridge's characteristics – strong on knowledge-intensive industries, pro-growth but constrained by infrastructure limitations and housing affordability.
- 6.2 Cambridge and the partner cities will work with businesses, universities and neighbouring authorities to ensure that Government understands the case for investment in their economic potential, and the case for particular policy interventions/relaxations to facilitate sustainable growth.
- 6.3 In November 2017, the National Infrastructure Commission produced a report making recommendations around the co-ordination of strategic investment and planning for growth in the Oxford-Milton Keynes-Cambridge corridor. The Government produced an interim response, and will provide a full response later this year.
- 6.4 The City Council is a member of London – Stansted – Cambridge Corridor Consortium. An annual subscription of £7,500 is paid. Cambridge City Council is represented on the board by the Leader of the Council, and is supported by the Joint Director of Planning and Economic Development. Current work streams include:
- Lobbying for significant investment in rail infrastructure, including quadrupling tracks south of Cambridgeshire
 - Smart City initiatives in the corridor

7. Cambridge Community Safety Partnership

- 7.1 The Cambridge CSP's main task continues to be to understand the community safety issues Cambridge is experiencing; decide which of these are the most important to deal with; decide what actions can be taken collectively, add value to the day-to-day work undertaken by the individual agencies, and understand what difference the partnership has made.

- 7.2 Cambridge CSP keeps a track of what is happening to community safety issues and its priority areas through quarterly crime and disorder updates provided by County Research Group (now a part of the new County Business Intelligence Unit). The Group also provide an End of Year Review that summarises key trends over the course of a year and highlight any issues that have emerged for consideration by Cambridge CSP.
- 7.3 The End of Year Report provided to Cambridge CSP in April 2017 showed an upward trend in total police recorded crime in Cambridge over the past five years. This can, in part, be attributed to the growing population in the city however the rate has also seen an increase to 95 recorded crimes per 1,000 of our population. The main area of concern has been “all violence”, including domestic abuse, which saw an increase of 13% in the year. The majority of the increased relate to violence without injury.
- 7.4 Around the same time Cambridge CSP produced its Annual Review for 2017, showing what the partnership had achieved during the preceding year, setting out the projects that it had funded to help reduce crime in Cambridge, using the £39,217 grant provided to Cambridge CSP from the Police and Crime Commissioner’s Crime and Disorder Reduction Grant.
- 7.5 The projects highlighted in the Annual Review 2017 included:
- Extending the availability of a Safe Refuge in St. Columba's Church during the night
 - Using Taxi Marshals to make the taxi rank on St Andrews Street safer in December
 - Offering an alternative medical treatment and care facility in St Columba’s Church in the evening/night
 - Securing the homes of high risk Domestic Abuse victims with the Bobby Scheme
 - Delivering workshops on healthy relationships to city schools covering issues around teenage relationship abuse, sexual health, consent and keeping safe.
 - Financing a performance play, Tough love, that raises awareness about Coercive Control and Domestic Abuse for teenagers

- Running a telephone helpline for survivors of rape, sexual abuse and sexual violence
- Raising awareness of cybercrime with a Cybercrime Conference
- Extending the Bobby Scheme to secure more elderly people's homes
- Working with perpetrators of street-based ASB, who have complex support needs due to mental health issues and possible alcohol and drug misuse, to reduce offending
- Raising the level of practical support available to people on Integrated Offender Management (IOM) programmes to help with their re-integration

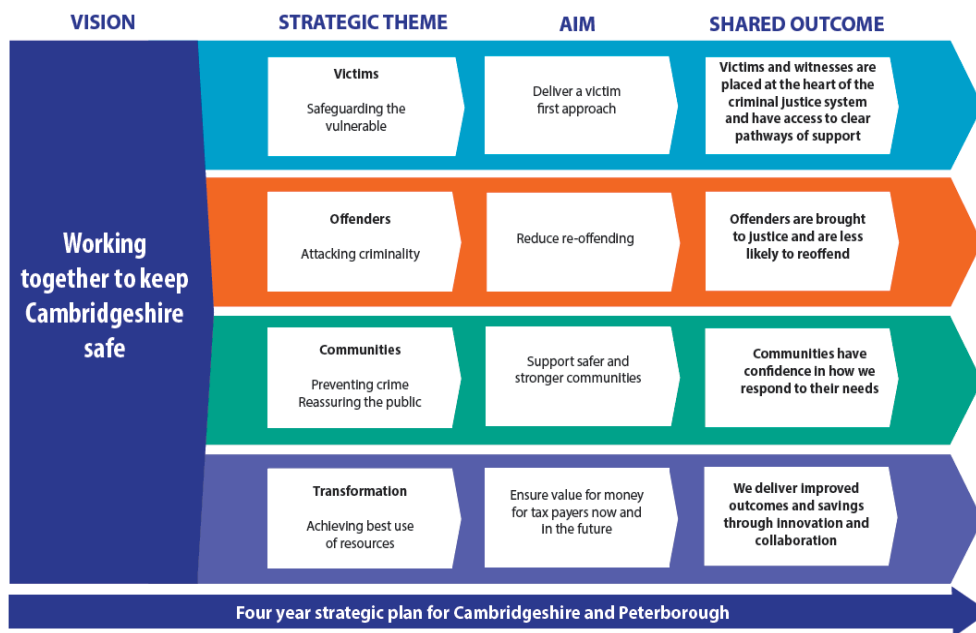
7.6 Following consideration of the End of Year Report 2017 and strategic assessments of priority areas during the year, collective actions for the partnership were agreed and set out in a **Community Safety Plan** for 2017/18. The current plan started on 1 April 2017.

7.7 The main priorities contained in the **Community Safety Plan** (2017/18) are:

- Safeguarding vulnerable people against violent crime
- Domestic Abuse, including Violence Against Women and Girls
- Antisocial behaviour within vulnerable groups

7.8 In producing local plans the partnership is mindful of the pledges of the Police and Crime Commissioner in the **Police and Crime Plan** 2017-20 and the requirement to 'have regard' to its priorities. An extract from the plan outlining its vision and themes is shown below.

Chart 1: Priorities in the Police and Crime Plan 2017-20



7.9 For 2017/18 the Police and Crime Commissioner again allocated £39,000 to Cambridge CSP to help with the local delivery of priorities in the Cambridgeshire Policing Plan. This funding has been allocated by Cambridge CSP to a range of local projects that have been commissioned by lead officers within multi-agency task groups set up by the partnership to oversee work in each of its priority areas and to monitor progress.

7.10 Current projects by priority area include:

Safeguarding vulnerable people against violent crime

- Continuation of support for Taxi Marshals to speed up the dispersal of people in the city's night time economy to avoid pinch points and raised tensions during December 2017.
- Continuation of support for the Safe Refuge and provision of a professional door supervisor to ensure security and confidence for both the attendees, who are often distressed or vulnerable, and volunteers from the Cambridge Street Pastors.
- Operating from the Safe Refuge venue, an alternative medical treatment and care facility, provided by St John Ambulance on key night-time economy dates

Reducing Anti-Social Behaviour (ASB) within vulnerable groups

- Focussing on the most problematic street based individuals through a targeted approach agreed at regular multi-agency Street Life Working Group (SWG) meetings. Cambridge Street Aid was shortlisted for a national award and provides grants to make a real difference to people's lives.

Domestic Abuse including Violence Against Women and Girls

- Performing the play 'Chelsea's Choice', which covers the themes of drugs and alcohol, child sexual exploitation, healthy relationships and sexual consent, to Year 9/10 pupils in the City schools to coincide with National Child Sexual Exploitation Day on 18 March 2018.
- Funding the appointment of an Independent Chair and Author for the Cambridge City Domestic Homicide Review. The final report will be presented to the Cambridge Community Safety Partnership.

7.11 The Council also has a **Safer City** element as a part of its grants scheme to help local community and voluntary groups contribute to reducing crime, the fear of crime and anti-social behaviour. For 2017/18 this fund is £10,000. Projects funded to date include a Cambridge Churches Homeless project for a winter (December to March) night shelter and associated support for rough sleepers, using faith venues.

7.12 The Council's Area Committees also consider Neighbourhood Policing Priorities, which form part of the Police's responsibilities to consult local people, understand, and respond to very local issues.

Governance

7.13 The Cambridge CSP brings together a number of agencies concerned with tackling and reducing crime and antisocial behaviour in Cambridge. It meets quarterly and its Board is currently chaired by a Head of Service from Cambridge City Council. The Leader is involved as a member of the Board.

7.14 The Cambridge CSP is presently looking at how it can align and co-locate its meetings with the new Living Well Partnership covering the City and South Cambridgeshire to allow partner members who attend both meetings to better utilise their time. Consideration is also being given to combining the meetings of Cambridge CSP and South Cambridgeshire CDRP for a six month trial period.

7.15 The Council also has a representative, Councillor Baigent, in the **Cambridgeshire Police and Crime Panel**, which oversees and scrutinises the work of the PCC. The PCC is required to consult with the Panel on his plans and budget for policing, as well as the level of council tax and the appointment of a Chief Constable. The panel will maintain a regular check and balance on the performance of the Commissioner.

8. Implications

(a) Financial Implications

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The strategic partnerships will be responsible for drawing down significant levels of resources to improve infrastructure and support the growth of Cambridge. By working together with other public agencies the Council may be able to achieve more than working on its own.

(b) Staffing Implications

This will depend on how the development of joint working opportunities is taken forward within each partnership.

(c) Equality and Poverty Implications

The partnerships will identify ways of involving all communities in their work, including those who are more disadvantaged. Emphasis will be on providing affordable housing, training and other measures to move people back into work and addressing inequalities.

(d) Environmental Implications

Business models that promote low carbon use and improve the sustainability of developments will be supported.

(e) Procurement Implications

The partnerships are likely to procure or commission services to achieve their aims.

(f) Community Safety Implications

To improve community safety is the purpose of the Cambridge Community Safety Partnership.

9. Consultation and communication considerations

Individual bidding streams and plans will specify the groups of people to be consulted, especially where targeted work is required.

10. Background papers

Background papers used in the preparation of this report:

Cambridge City Council's Principles of Partnership Working

<https://www.cambridge.gov.uk/content/guide-partnership-working>

Signpost2grow

<http://signpost2grow.co.uk/about-us/>

Cambridge Compass Enterprise Zone

<http://www.gcgp.co.uk/?s=Cambridge+Compass>

LEP Board Papers

<http://www.gcgp.co.uk/yourlep/board/board-meetings/>

Greater Cambridge Partnership

<https://www.greatercambridge.org.uk/>

Key Cities Group

<http://www.keycities.co.uk/>

Cambridge Community Safety Partnership

<https://www.cambridge.gov.uk/content/cambridge-community-safety-partnership>

Police and Crime Plan

<http://www.cambridgeshire-pcc.gov.uk/police-crime-plan/>

Police and Crime Panel

https://cmis.cambridgeshire.gov.uk/ccclive/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/35/Default.aspx

11. Appendices

Appendix 1. GCP Quarterly Progress Report for November 2017

12. Inspection of papers

To inspect the background papers or if you have a query on the report please contact GRAHAM SAINT, CORPORATE STRATEGY OFFICER, tel: 01223 - 457044, email: graham.saint@cambridge.gov.uk.

Appendix 1. GCP Quarterly Monitoring Report (November 2017), RAG RATINGS

The full report can be found here:

[http://scambs.moderngov.co.uk/documents/s103342/Item%209 %20Quarterly%20Progress%20Report.pdf](http://scambs.moderngov.co.uk/documents/s103342/Item%209%20Quarterly%20Progress%20Report.pdf)

Programme finance overview (to end September 2017)

Funding type	2017/18 budget (£000)	Expenditure to date (£000)	Forecast outturn (£000)	Forecast variance (£000)	Status*		
					Previous ¹	Current	Change
Programme Budget	12,521	2,312	10,412	-2,109	G	G	↔
Operations Budget	3,662	947	3,569	-93	G	G	↔

*Please note, RAG explanations at the end of this report

Housing & strategic planning

“Accelerating housing delivery and homes for all”

Indicator	Target	Timing	Progress/forecast	Status		
				Previous	Current	Change
Housing Development Agency – new homes completed (2016/17)	250	2016/17	274	G	G	↔
Delivering 1,000 additional affordable homes**2	1,000	2011-2031	923	Y	Y	↔

**Based on housing commitments as at 23 September 2017

Skills

“Inspiring and developing our future workforce, so that businesses can grow”

Indicator	Target/ profile	Progress	Status		
			Previous	Current	Change
Employability events supported for 11-16 year olds	100	137	G	G	↔
Employability events supported in Primary Schools	10	11	G	G	↔
Employability events supported for 16-18 year olds	30	44	G	G	↔
Schools engaging in briefings about work experience	16	16	G	G	↔
Young people engaged in briefings about work experience	1,500	2,469	G	G	↔
Providing information on the local labour market	18	18	G	G	↔

September 2015- October 2017

Smart Places

“Harnessing and developing smart technology, to support transport, housing and skills”

Project	Target completion date	Forecast completion date	Status		
			Previous	Current	Change
Establishment of an Intelligent City Platform (ICP)	Completed		G	G	↔
ICP Early Adopters	Autumn 2017	December 2017	Y	Y	↔
Digital wayfinding at Cambridge Station	TBC	TBC (target Apr 18)	R	G	↑
First steps to Intelligent Mobility	Completed		G	G	↔
Phase 2	2020	2020	G	G	↔
Motion Map	2018	TBC	Y	R	↓

Transport

“Creating better and greener transport networks, connecting people to homes, jobs, study and opportunity”

Transport delivery overview

Project	Delivery stage	Target completion date	Forecast completion date	Status			
				Previous	Current	Change	
Tranche 1 schemes							
Histon Road	Design	2022	2022	G	G	↔	
Milton Road	Design	2021	2021	G	G	↔	
Chisholm Trail cycle links	Phase 1	Design	2018	2019	G	Y	↓
	Phase 2	Design	2020	2021	Y	Y	↔
Cambourne to Cambridge / A428 Corridor	Design	2024	2024	G	G	↔	
City Centre Capacity Improvements ["City Centre Access Project"]	Design	TBC	TBC	N/A	N/A	N/A	
A1307 Three Campuses to Cambridge	Design	2020	2020	G	G	↔	
Cross-city cycle improvements	Fulbourn / Cherry Hinton Eastern Access	Construction	**2019	**2019	G	G	↔
	Hills Road / Addenbrooke's corridor	Construction	2017	2017	G	G	↔
	Links to East Cambridge & NCN11/ Fen Ditton	Construction	2018	2018	G	G	↔
	Arbury Road corridor	Construction	2018	2018	G	G	↔
	Links to Cambridge North Station & Science Park	Construction	2018	2018	G	G	↔
A10 cycle route (Shepreth to Melbourn)	Completed (summary at annex 7)			G	G	↔	
2020+ scheme development							
Western Orbital	Preferred option design						
Ely to Cambridge Transport Study (formerly A10 North Study & initial works)	Options development						
Greenways	Options development						
Rural Travel Hubs	Options development						

** Previous report showed 2018 due to input error

Note to reader – RAG Explanations

Finance tables

- Green: Projected to come in on or under budget
- Amber: Projected to come in over budget, but with measures proposed/in place to bring it in under budget
- Red: Projected to come in over budget, without clear measures currently proposed/in place

Indicator tables

- Green: Forecasting or realising achieving/exceeding target
- Amber: Forecasting or realising a slight underachievement of target
- Red: Forecasting or realising a significant underachievement of target

Project delivery tables

- Green: Delivery projected on or before target date
- Amber: Delivery projected after target date, but with measures in place to meet the target date (this may include redefining the target date to respond to emerging issues/information)
- Red: Delivery projected after target date, without clear measures proposed/in place to meet the target date



ITEM: CAMBRIDGE NORTHERN FRINGE EAST UPDATE



Cambridge City Council

To: Leader of the Council

Report by: Fiona Bryant, Strategic Director

Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 19/03/2018

Wards affected: East Chesterton

1.0 Executive Summary

1.1 The Cambridge Northern Fringe East (CNFE) site (see Appendix 2), situated south of the A14, west of the science park and north of the Cambridge business park, is one of the last large scale brownfield development regeneration sites suitable for housing development in Cambridge. The location beside the A14, Cambridge North Station, the guided bus way and the Chisholm Trail, make this a highly accessible

and sustainable location. The whole CNFE area encompasses around one square kilometre within the City and South Cambridgeshire.

1.2 The core site of around 49ha, (about 50% of the whole CNFE area) is owned by Anglian Water Authority and Cambridge City Council and is located within Cambridge City Council boundary. It currently houses the Cambridge Water Recycling Centre (CWRC). The relocation of this is key to unlocking the potential both for this site and for the wider area, but the cost of relocation has rendered potential development unviable in previous years.

1.3 The launch of a national Housing Infrastructure Fund (HIF) programme round in the autumn of 2017 offered an immediate opportunity to address this issue. A successful outcome for the bid for funding for the relocation of the CWRC would provide the potential to progress this unique strategic site through a comprehensive mixed use development.

1.4 The Council and Anglian Water are committed to developing and agreed joint vision for the core site through the area action plan to promote a new and innovative quarter for Cambridge, creating a high quality and attractive and sustainable place to live, work, learn and play through a high density residential and mixed use development graced by impressive design and public realm, networked into the city.

1.5 The HIF bid is still in progress, with the outcome of the expression of interest stage expected in March, and the final outcome expected before the end of 2018. At this time the Council and Anglian Water are focussing on ensuring that they are well prepared to progress the major programme required, once the HIF outcome is confirmed, as deliverability is a key criteria for HIF success.

1.6 With this in mind, current activity is focussed in 4 main areas:

- Progressing the HIF bid
- Procuring a master developer for the core site, subject to HIF outcome
- Initiating development of the Area Action Plan covering the wider site allocation of Cambridge Northern Fringe East
- Establishing an agreed joint venture delivery vehicle and

governance structure, with the intention of formalising these once HIF bid outcome is confirmed

1.7 This report is intended to update the Executive Councillor and Committee on the current status and proposals for the site and to recommend next steps actions.

2.0 Recommendations

The Executive Councillor is recommended to:

2.1 Note the current status, indicative proposals and target timescales for the programme and the continued engagement with Homes England on progression with the HIF bid.

2.2 To approve the timeline for the Master Developer tender process and delegate the final approval to the Strategic Director, in consultation with the Executive Councillor and Opposition Spokesperson, noting that the decision to run a procurement in order to identify a master developer, was in consultation with the Leader, recognising that the offer was not certain at point of tender.

2.3 To establish the terms for an appropriate joint venture vehicle, working with the Strategic Director, Anglian Water and advisers, subject to HIF bid outcome.

2.4 To note the proposed timetable for preparing the CNFE Area Action Plan for the proposed wider boundary area (refers paragraph 4.2.6 and appendix 2a), which is programmed to run in tandem with the HIF bid and with the subsequent regulatory process required for relocation of the Cambridge Water Recycling Centre.

3.0 Background and Context

3.1 The Site

3.1.1 Cambridge Northern Fringe East (CNFE) contains one of the last undeveloped large-scale brownfield regeneration opportunities in Greater Cambridge. The wider site, allocated in the local plans of SCDC and the City Council, extends to approximately one square kilometre across Cambridge City and South Cambridgeshire District Councils'

administrative areas. The Core Site occupies just under 50% of the CNFE regeneration area, extends to 49ha (121 acres), and is broadly L-shaped. The Core Site (see Appendix 1 for map) is owned by the Anglian Water Authority and Cambridge City Council and sits entirely within Cambridge City Council's administrative boundaries. It houses the Cambridge Water Recycling Centre which is an active water treatment works, owned and operated by Anglian Water.

3.1.2 The site is well connected to the transport network, with its strong national connections. It is bounded by the A14/A10 to the North, and the main London – Cambridge – King's Lynn railway line to the East. Cambridge North station opened in May 2017 and will be at the heart of a high-quality transport gateway within CNFE, ensuring that the proposed vibrant new community is well connected with the rest of the City, surrounding areas, and region.

3.1.3 St John's innovation park, and beyond, the Cambridge Science Park, are located immediately adjacent to the site, and contribute to the area's reputation as a centre of excellence for commercial and scientific development and employment. The Cambridge Business Park lies to the South

3.2 The Housing Infrastructure Fund

3.2.1 The Housing Infrastructure Fund is a government capital grant programme of up to £2.3 billion, aimed at helping to deliver up to 100,000 new homes in England.

3.2.2 Funding is potentially awarded to local authorities on a highly competitive basis, providing grant funding for new infrastructure that will unlock new homes in the areas of greatest housing demand.

3.2.3 The Fund programme launched in 2017 was divided into two parts – smaller scale bids of up to £10m and larger scale forward funding bids of up to £250m.

3.2.4 A bid to the HIF Forward Funding scheme was developed by the City Council and Anglian Water for funding to support the relocation of the water recycling centre

3.2.5 An expression of interest was submitted on 28th September 2017 for £193m to support the relocation of the CWRC in order to unlock the site for a high density residential and mixed use development. The bid was prioritised by the Cambridgeshire and Peterborough Combined Authority as its only bid submitted for the forward funding programme in this HF round, demonstrating the extent of political support, joint working and collaboration of the eight entities making up the Combined Authority (CPCA). The Expression of Interest was also supported by Daniel Zeichner, MP for Cambridge.

3.2.6 The City Council and Anglian Water are still awaiting the outcome of the shortlisting process, but hope to receive a decision in March 2018. If successful the next stage will be development of the business case. The final outcome of the HIF bid will be determined by the end of 2018. If the bid is successful, and the funding awarded, this will trigger the implementation of an agreed process for Anglian Water to investigate options for relocation.

3.3 Vision

3.3.1 The Centre for Economics and Business Research (CEBR) expect Cambridge to be the fastest growing city economy in Britain in the next

decade, growing by 2.8%, in excess of the 2.2% average. Total employment in Cambridge and South Cambs is expected to grow by circa 20% over the next 20 years. In order to maintain its global and national status, Cambridge needs to successfully manage and support this growth.

3.3.2 Housing affordability, meanwhile, is a key issue, with an average earning to average house price ratio of 1:15. Cambridge has seen house prices rise by 55% over the last five years, significantly over performing the England and Wales average of 29%. There are around 2500 on the housing needs register, so e bringing forward of additional affordable housing at social rent levels which is affordable for low income households is a priority for Greater Cambridge's continued success.

3.3.3 The performance of the housing market does not only impact on those on the formal housing register however. Nationally, only 25% of 25-34 years olds on middle incomes (£22,200-30,600) can afford to buy a house, down from 65% 20 years ago. In Cambridge many key workers, and others on average incomes, are finding that they cannot afford to live and work in the city. 30% of households in Cambridge are earning between £15,000 and £31,500 and average household income is £23,250. The percentage of home ownership amongst middle earners is now closer to low earners than high earners. Rental values have also increased by around 16% in the last three years increasing unaffordability pressures and further impacting on access to home ownership. The development of wider forms of housing that is "affordable" is therefore also important.

3.3.4 The core site therefore offers a major opportunity to deliver additional market and affordable housing as part of a new mixed-use and inclusive district to the City, alongside matching opportunities to work locally on nearby sites, and the development of the community and social infrastructure required for a new community.

3.3.5 The landowners believe that scale and location of the whole site offer the potential for something different and special for Cambridge. The early draft vision submitted within the bid envisages a new innovation quarter for Cambridge, benefitting from the proximity to the Science Park and transport links, and creating a live, work, learn and play community.

A community of this scale may encompass residential, commercial, retail, amenity as well as civic and community uses. Early estimates indicated that innovative design of the core site (120 acres) might provide over 5000 residential units, and circa 7,000 new jobs, with significant retail and amenity, and community space, and circa 20 acres of open space* (NB it must be noted that these estimates are still to be fully tested and evidenced and then are still subject to statutory approvals).

3.3.6 The unlocking of the core site will also offer the potential for further residential employment on adjacent sites and provide opportunities to connect with other development across the wider CNFE area and beyond .

3.3.7 The regeneration of CNFE supports the ambitions of the Cambridgeshire and Peterborough Combined Authority for the wider region

4.0 Current Activity

4.1 Pending the outcome decision on the expression of interest stage for the HIF programme, and of course the final outcome, the Council and Anglian Water are continuing to ensure that we have everything possible in place in a timely fashion to evidence our ability and readiness to deliver to Homes England in terms of the bid itself, and of course more generally, to ensure that we can act quickly and effectively, if the bid is successful, to implement a successful programme of development. The Council is managing the risk of commitment in advance of a HIF decision, against the need for progress in the interim period.

4.2 The Planning Framework

4.2.1 There are a number of elements which inform the Core Site's planning status, primarily both the statutory development plan (including the Minerals and Waste Core Strategy) and the emerging local plan.

4.2.2 The local plan is currently subject to independent Examination by the Planning Inspectorate. This has been on-going since the end of 2014 and the hearing sessions closed in July 2017. Consultation on the modifications to the plan closed on 16th February 2018 and both Councils

are expecting a report from the Inspector into the soundness of their plans later this year.

4.2.3 Draft Policy 14 of the Local Plan concerns the Northern Fringe East and updates the previously adopted policy. The emerging local plans of both the City and South Cambs Councils identify the site for comprehensive mixed-use development and indicate that an Area Action plan will be prepared to include that future development.

4.2.4 The AAP Issues and Options Consultation in December 2014 set out four options for development of this area. The fourth and final option sought the maximum level of redevelopment. This was predicated on the water recycling centre being relocated elsewhere to enable comprehensive redevelopment of the area.

4.2.5 Given the redevelopment opportunities afforded by the HiF Bid process, alongside the findings of the adjacent A10 Cambridge – Ely transport study, and the published aspirations of the Science Parks to the west for growth, both Councils have committed to review earlier work on the AAP, prior to publication, of a further issues and options version that captures the revised aspirations and challenges of development on this site and beyond. This is obviously predicated on the water recycling centre being relocated elsewhere so as to allow comprehensive redevelopment of the area.

4.2.6 The table below sets out the indicative timetable which needs to be met for preparing the CNFE Area Action Plan. The outcome of the HIF bid will be important in shaping the future form of the AAP with both being contingent on the other progressing in the form planned. For the Council to be able to demonstrate the AAP is ‘deliverable’ – a key statutory test – requires certainty that the CWRC facility will be relocated.

Key Milestones	
Regulation 18: Public participation in the consideration of Issues & Options for redevelopment of CNFE	October 2018
Regulation 18: Public participation on the Council's Preferred Option for redevelopment of CNFE	June 2019
Regulation 19: Pre-Submission publication (minimum six week period for representations)	September 2019
Regulation 22: Submission of DPD and representations to the Secretary of State	November 2019

Independent Examination in Public	January 2020
Receipt of Inspector's Report	March 2020
Adoption	May 2020

4.2.7 The AAP will be developed with extensive input from the community and City and South Cambs ward Councillors for the area and Cabinet members for planning.

4.2.8 Should the HIF bid be unsuccessful, it will not be possible to develop the core site as envisaged, and the AAP will require further revisiting to advance in a form that still engages the development potential of the wider area. The revised plan should not forgo the potential of similar funding opportunities becoming available in the future.

4.3 Masterplanning the Core Site

4.3.1 With the ambition outlined in 3.4 above in mind, a successful master plan for the area is vital to ensure that the advantages and benefits of this site can be optimised through a high quality approach. Whilst the Master Developer role for this project is for the core site only, the work will need to encompass the ambitious and innovative approach for the core site, whilst ensuring alignment and benefits from the plans and objectives for the wider area. The potential outcome is challenging and very exciting for Cambridge.

4.3.2 In line with public sector transparency, Anglian Water and the City Council agreed to procure a Master Developer in accordance with a competitive procedure with negotiation under the Public Contracts regulations 2014. The decision to run a procurement in order to identify a master developer was in consultation with the Leader, recognising that the offer was not certain at point of tender.

The process is being overseen by Cambridge City Council's Procurement Manager.

4.3.3 The panel overseeing the Master Developer tender exercise includes:

Cambridge City Council and Anglian Water as landowners

Eversheds Sutherland – legal advisers

Savills – Consultants

CPCA – Interim Director of Housing (Developer Interview stages)

Freeths, as the Council's legal advisers on property matters, have also provided input into the draft Heads of Terms and Master Development Agreements

4.3.4 The initial qualification questionnaire was launched in December 2017. Of the 9 submissions, 5 were shortlisted. A day for the 5 organisations to ask the panel questions was held on 8th February. The timeline for the appointment of the Master Developer is outlined in the table below. The contract will be awarded subject to a successful outcome of the HIF bid.

4.3.5 Final tenders are anticipated to be evaluated against Quality 60%; Commercial 40%. A breakdown of headings and sub-considerations is available later in Appendix 1.

4.3.6 The strategic objectives underpinning the tender at this stage will be refined and developed as the project evolves, but at this stage they are, indicatively:

- Ensure the scheme is integrated and compliments the wider CNFE area;
- Policy Compliance with Local Plan, including policy compliant levels of affordable housing;
- Deliver place making and the live, work and play philosophy intended for the New Quarter;
- Create distinctive, high quality buildings and impressive public realm;
- Innovation in technology, design and construction methods to accelerate development;

- Use of the Cambridge Sustainable Housing Design Guide to underpin the overarching site design;
- Transport neutrality to enhance capacity and reduce car dependency;
- Achieve a mix of tenures; and
- Financial Return – in the context of the above Objectives, deliver a scheme and sales strategy which maximises the return to the landowners.

4.3.7 The core role of the Master Developer will include:

- To establish a contractual agreement to deliver the scheme in keeping with the Strategic Objectives
- To develop a planning application strategy and master plan in order to promote the site for planning permission.
- To obtain a planning permission over the site at their own cost and risk.
- To formulate a sales strategy with the landowners for the consented site, recognising that this may take a number of years.
- In conjunction with the landowners, develop a delivery strategy for the site, including detailed phasing of both infrastructure and residential dwellings, and ancillary development having due regard for the Strategic Objectives.
- Be responsible for the practical delivery of the necessary infrastructure to allow the sale of serviced parcels of land, for which they will propose an appropriate return for this.
- Have the ability to fund the necessary infrastructure themselves

- Monitor on an on-going basis the building out of sold development parcels to enforce the terms of any disposal, which will be in keeping with the Strategic Objectives

4.3.8 The timeline for completion of the tender process is outlined in the table below:

The key dates for this procurement are currently anticipated as follows:

Task	Date
Invitation to Competitive Procedure with Negotiation issued	29 January 2018
Initial Tenders Submitted	28 February 2018 at 12 noon
Stage 2 Negotiation	March 2018
Stage 3 Negotiation (Final Tenders)	April/May 2018
Standstill Period	May 2018
Contract Award	May/June 2018

5.0 Governance

5.1 A key element of progressing the programme successfully is ensuring that the Governance structure is appropriate for such a project. The indicative governance and programme management structure proposed is developed under the Managing Successful Programmes framework with a diagram shown at Appendix 3. Members and key responsibilities for the main boards are proposed as follows:

Group	Member organisations	Key Responsibilities
Joint Venture	Anglian Water Authority Cambridge City Council Master Developer	Delivery Vehicle and Landowners decisions *key decisions will be referred to Exec Cllrs/Committee/ AWA board as appropriate
Programme Board (Officer)	Cambridge City Council Anglian Water Authority South Cambs District Council CPCA Cambridge County Council	Ensures programme delivery within agreed parameters Agrees finance model with SPV

	<p>Greater Cambridge Partnership Homes England Master Developer</p> <p>Attending: Local Planning Authority Adviser</p>	<p>Defines acceptable risk profile and thresholds Resolves strategic and directional issues Ensures integrity of benefits Provides assurance for operational stability Supplies resources for delivery Engagement and Communications</p>
<p>Member Reference Group (Member)</p>	<p>Cambridge City Council (Leader and CEO) South Cambs District Council (TBC) CPCA Cambridge County Council Greater Cambridge Partnership</p> <p>Attendees: Joint Venture Representatives</p>	<p>Championing the programme Providing continued commitment and endorsement in support of programme objectives at executive and communications events Advising and supporting the SRO Confirming public sector funding for the programme Confirming public sector strategic direction against which the programme is to deliver public sector outcomes</p>
<p>Stakeholder Groups</p>	<p>There will be a number of groups, representing (not exclusively), for example:</p> <p>City and County Ward Councillors in East Chesterton and Kings Hedges and SCDC adjacent Ward members(also briefed through Council briefings, and governance) Wider CNFE</p>	<p>The programme will be engaging and working with these groups</p>

	Landowners/Developers Business Community and University Local Residents Community Groups Related Projects e.g. A10	
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5.2 As indicated in the Governance chart at Appendix 3, the Local Planning Authority will be acting independently of the main programme governance in accordance with its remit and statutory obligations, but where possible, we will be working jointly with stakeholder groups, and will ensure that the programme is developed in line with LPA advice.

5.3 The relevant groups are likely to be initiated informally if we are confirmed through to the next stage of the HIF bid and formally established at the final outcome stage.

6.0 Next Steps

6.1 Proposed next steps are as follows:

The team will continue to work with Homes England to progress the HIF bid in line with the information provided above

A joint workshop for Executive Councillors from City and South Cambs

A follow up all member briefing for City Council Members

Appointment of the Master Developer in line with the tender process outlined above

A presentation will be sent to an Innovation Symposium in Melbourne, Australia, occurring in late March. This is the first in a series of events and will establish Cambridge as a key partner with Melbourne and Barcelona in understanding and leading the knowledge and learning arising from the development of similar districts.

6.2 The timescales will be informed by the outcome of the HIF bid but current indicative target dates are as follows:

The timescales for the overarching development will be informed by the outcome of the HIF bid but current indicative target dates are as follows:

Dates	Delivery
2018	HIF bid outcome Local Plan Adoption and CNFE AAP progression Master Development Plan Initialisation
2019	AAP Submission to the Secretary of State for examination in public and submission of planning applications for the relocation of the Water Recycling Centre
2020	Adoption of the AAP and Planning Permission granted for the new recycling centre
2021	Relocation Works Start
2023	Relocation Completed
2023 onwards	Infrastructure Development and Construction

7.0 Implications

(a) Financial Implications

To date funding for progress has been by partners. There is a budget bid within the current budget for support for the programme progression moving forward. The master planning process will include business plan development with longer term financial projections

(b) Staffing Implications

The SRO for the programme is the City Council's Strategic Director. The current budget process includes a bid for support around programme management and resources for underpinning the AAP development, as

well as for legal and other advice. The full team also includes resources provided by Anglian Water and, in future by the Master Developer

(c) Equality and Poverty Implications

None specific at this stage although as the programme progresses and the HIF bid outcome is determined, the relevant implications will be considered as part of the overall programme. The strategic objectives, including those around affordable housing, are in line with the anti-poverty strategy

(d) Environmental Implications

None specific at this stage although as the programme progresses and the HIF bid outcome is determined, the relevant implications will be considered as part of the overall programme. Development will be in line with the Cambridge Sustainable Housing Design Guide

(e) Procurement Implications

The Master Developer is being procured in accordance with the Competitive Procedure with Negotiation under the Public Contracts Regulations 2014.

(f) Community Safety Implications

None at this stage although as the programme progresses and the HIF bid outcome is determined, the relevant implications will be considered as part of the overall programme

8.0 Consultation and communication considerations

Early briefings and

9.0 Background papers

10. Appendices

- (a) Appendix 1: Map of Core site
- (b) Appendix 2: Tender scoring criteria
- (c) Appendix 3: Proposed Governance Structure

11.0 Inspection of papers

To inspect the background papers or if you have a query on the report please contact Fiona Bryant, Strategic Director, Cambridge City Council
tel: 01223 - 457325, email: Fiona.bryant@cambridge.gov.uk

Appendix 1

Evaluation Criteria for the Invitation to Negotiate

Principal Evaluation Criteria

1.1 Award Criteria

The Landowners are basing their tender evaluation on the following areas:

Criteria	Weighting
Quality	60%
Commercial	40%
Contract	Pass/Fail
Total	100%

Bidders should also note these evaluation criteria have sub-criteria applied to them, which are detailed below.

1.2 Quality

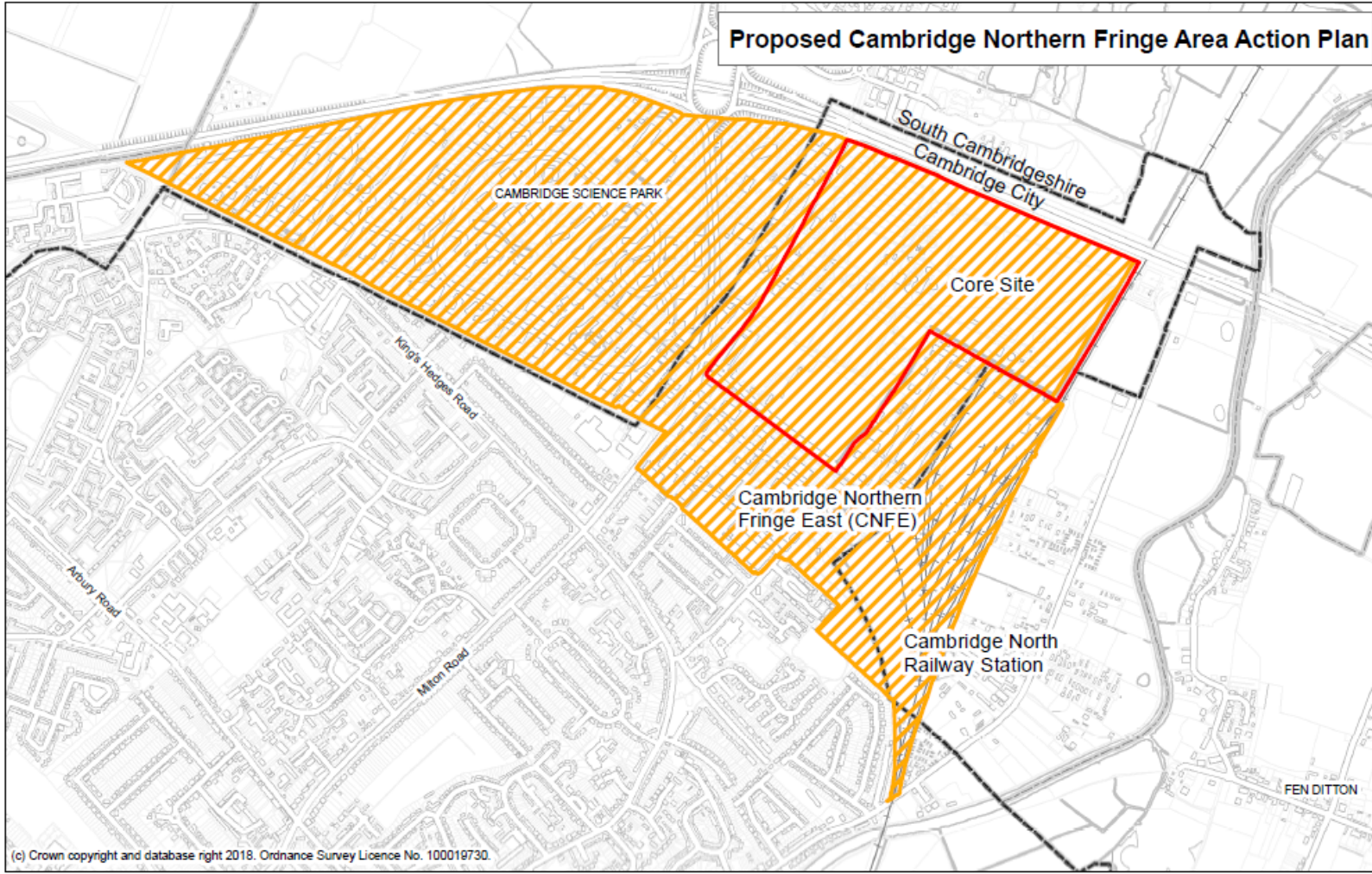
Bidders are required to prepare seven Method Statements which address the Landowner's Evaluation Criteria (as set out below):

Quality Sub-Criteria (Method Statements)	Weighting
Delivery Strategy and Implementation	40%
Design	20%
Infrastructure Delivery Plan	10%
Governance and Partnering	10%
Cost Control	10%
Risk Management	5%
Project and Professional Team	5%
Quality Total	100%

These Method Statements will be included within the final Contract as contractual requirements.

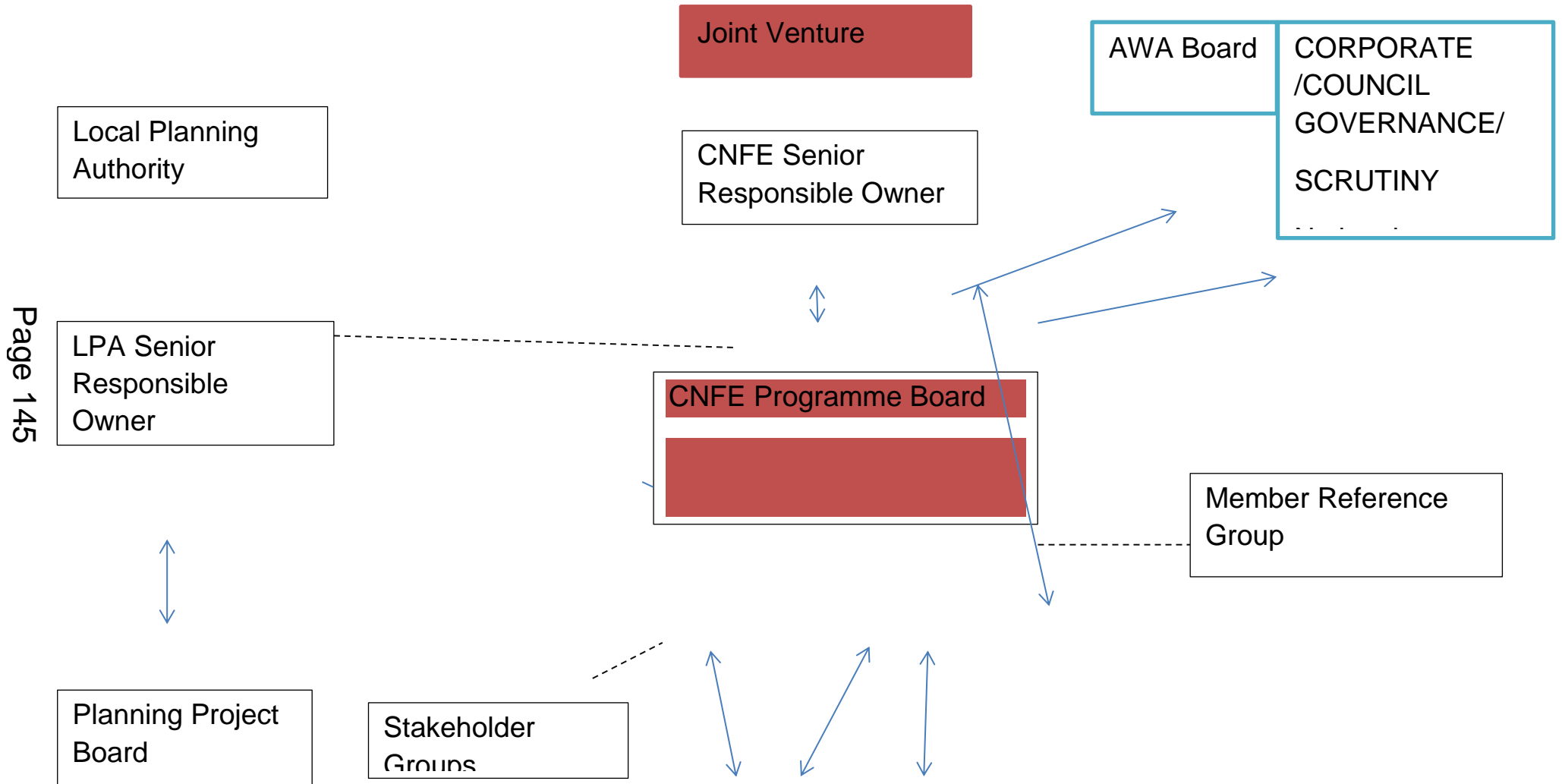
Appendix 2 Plan of the Core Site within the whole CNFE area

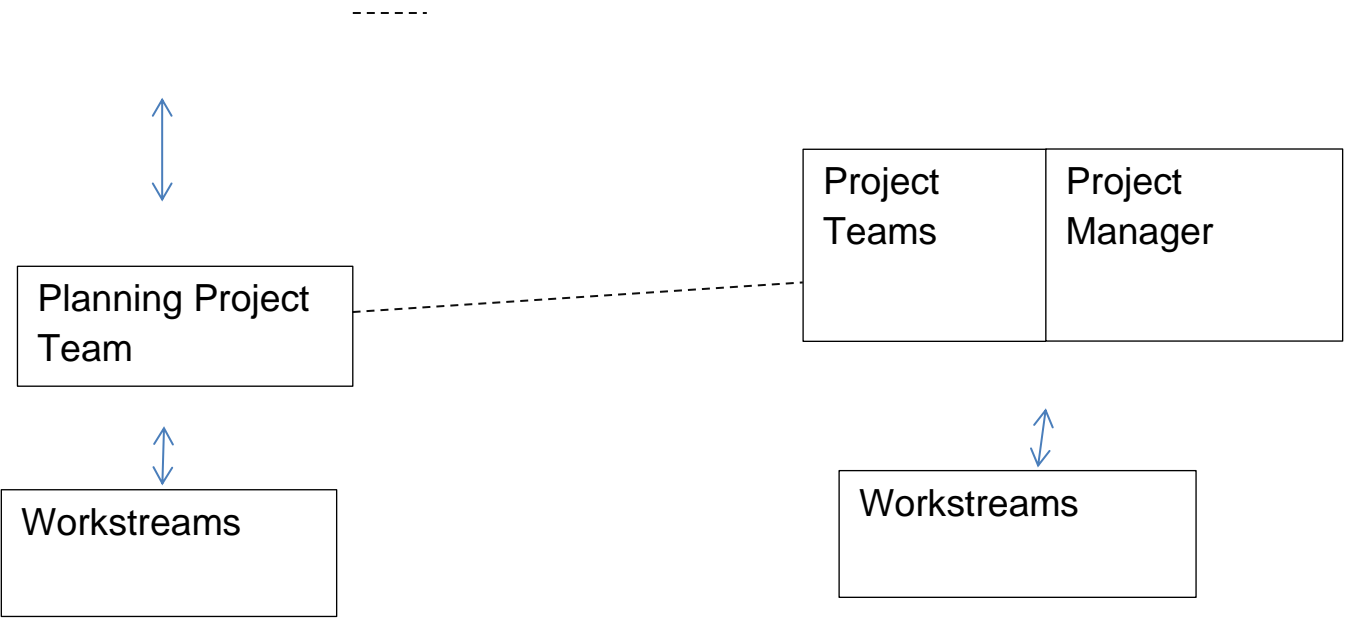




APPENDIX 3

CAMBRIDGE NORTHERN FRINGE EAST PROPOSED GOVERNANCE STRUCTURE







Item

Cambridgeshire and Peterborough Combined Authority - Update

To:

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and Transformation

Strategy & Resources Scrutiny Committee 19 March 2018

Report by:

Antoinette Jackson, Chief Executive

Tel: 01223 457001 Email: antoinette.jackson@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey,

Not a Key Decision

1. Executive Summary

- 1.1 This report provides an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 22 January meeting of Strategy and Resources Scrutiny Committee.

2. Recommendations

- 2.1 The Executive Councillor is recommended:

To provide an update on issues considered at the meetings of the Combined Authority held on 31 January, 14 February and 28 February 2018.

3. Background

- 3.1 Meetings of the Cambridgeshire and Peterborough Combined Authority were held on 31 January, 14 February and 28 February. The decision sheets from the meetings are attached in the appendices for the committee's consideration.
- 3.2 The Chief Executive of the Combined Authority and Local Enterprise Partnership has also provided a recent update about the Greater Cambridge Greater Peterborough Enterprise Partnership. His letter is attached at Appendix D.

4. Implications

(a) Financial Implications

There are no direct financial implications.

(b) Staffing Implications

There are no direct staffing implications from this update report.

(c) Equality and Poverty Implications

An EqIA has not been produced as there are no direct equality and poverty implications from this update report.

(d) Environmental Implications

There are no environmental implications from this update report.

(e) Procurement

There are no procurement implications from this update report.

(e) Consultation and communication

The Combined Authority will continue to issue communications about its activities and consult on its work.

(f) Community Safety

There are no community safety implications from this update report.

5. Background papers

- 5.1 The background papers used in the preparation of this report are listed in the appendices below.

6. Appendices

Appendix A Decision sheet for CPCA meeting 31.01.2018

Appendix B Decision sheet for CPCA meeting 14.02.2018

Appendix C Decision sheet for CPCA meeting 28.02.2018

Appendix D Letter from Chief Executive of the Cambridgeshire and Peterborough Combined Authority and Local Enterprise Partnership dated 21.02.2018

7. Inspection of papers

To inspect the background papers or if you have a query on the report, please contact Antoinette Jackson, Chief Executive. Tel: 01223 457001, email: antoinette.jackson@cambridge.gov.uk.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 31st January 2018

Published: 1st February 2018

Decision review deadline: 5.00p.m. on 8th February 2018

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Apologies and Declarations of Interest	Apologies received from Councillor G Bull (Councillor R Fuller substituting) and J Ablewhite (Police and Crime Commissioner) (Councillor R Bisby substituting).

Item	Topic	Decision
1.2	Minutes – 20 December 2017	<p>It was resolved:</p> <p style="padding-left: 40px;">to approve the minutes of the meeting of 20th December 2017 as a correct record.</p>
1.3	Petitions	None received.
1.4	Public Questions	<p>Two questions received, questions and responses published at the following link: <u>Cambridgeshire and Peterborough Combined Authority meeting 31/01/2018</u></p>
1.5	Forward Plan	<p>It was resolved to:</p> <p style="padding-left: 40px;">approve the Forward Plan of Executive Decisions dated to be published on 29 January 2018.</p>
1.6	Corporate Governance Framework	<p>It was resolved to:</p> <p style="padding-left: 40px;"><u>Member Complaints Procedure</u></p> <p>(a) Approve the process for dealing with complaints about the Mayor, Members of the Combined Authority or its Committees for breach of the Code of Conduct (Appendix 1);</p> <p>(b) Delegate authority to the Legal Counsel and Monitoring Officer to select a suitable Independent Person for Member Complaints and approve a proposed allowance of £250 per annum (in lieu of expenses claims);</p> <p>(c) Request the Legal Counsel and Monitoring Officer to seek to set up a panel of Independent Persons for Member Complaints from amongst Constituent Council Independent Persons;</p> <p>(d) Agree to amend the constitution to include the member complaints procedure;</p>

		<p><u>Corporate Complaints</u></p> <p>(e) Approve and adopt the complaints procedure;</p> <p>(f) Request Legal Counsel and Monitoring Officer to notify the Local Government and Social Care Ombudsman of the Combined Authority's complaints procedure and to make any changes recommended by the Ombudsman; and</p> <p><u>Data Protection Policy and Freedom of Information</u></p> <p>(g) Approve the Data Protection Policy (Appendix 3), the Freedom of Information Policy (Appendix 4) and the publication scheme listing the types of information that is available or will be made available on the Combined Authority website (Appendix 5).</p>
1.7	Appointment of Interim Chief Finance Officer and Section 151 Officer	<p>It was resolved to:</p> <p>appoint Rachel Musson as interim statutory Chief Finance Officer and S151 Officer to the Combined Authority.</p>
Page 152	Part 2 – Key Decisions	
2.1	Mass Rapid Transport – Strategic Options Assessment	<p>It was resolved to:</p> <p>(a) Note the findings of the Cambridgeshire Mass Transit Strategic Options Assessment and the recommendation that the Cambridgeshire Autonomous Metro be carried forward for further development.</p> <p>(b) Approve £600,000 to develop a Strategic Outline Business Case and an Options Appraisal Report for the Cambridgeshire Autonomous Metro proposal.</p> <p>(c) agree to liaise with the Greater Cambridge Partnership (GCP) to ensure GCP's current and future plans for high quality public transport corridors were consistent and readily adaptable to the emerging proposition for a CAM Metro network.</p>

	Part 3 – Non Key Decisions	
3.1	Housing: Off Site Manufacture	It was resolved to: - defer the report detailing the contents of the Outline Business Case and the potential medium to long term commercial opportunity.
3.2	Establishing a new Stronger Public and Private Sector Partnership in Cambridgeshire and Peterborough – Business Board	It was resolved to agree: (a) in principle to the establishment of a single shared Chief Executive role across the Combined Authority and the new Local Enterprise Partnership; (b) that the single staffing structure be reported to the February Board meeting; (c) that, in principle, the Combined Authority should explore new terms and conditions of employment for its new staffing structure; (d) that the salaries for the new staffing structure were to be met by the Combined Authority and the new Local Enterprise Partnership Business Board. (e) that Councillor Charles Roberts be appointed as the Chair of the Shadow Business Board.
	Part 4 – Date of Next Meeting	
4.1	Date of Next Meeting	It was resolved to note the date of the next meeting – Wednesday, 14 February 2018 at 10.30 am in the Civic Suite, Huntingdonshire District Council, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN

Notes:

(a) Statements in bold type indicate additional resolutions made at the meeting.

(b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

For more information contact: Michelle Rowe Telephone: 01223 699180 /e-mail: michelle.rowe@cambridgeshire.gov.uk



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 14th February 2018

Published: 15th February 2018

Decision review deadline: 5.00p.m. on 22nd February 2018

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Apologies and Declarations of Interest	Apologies received from Councillor K Reynolds (Chairman, Cambridgeshire and Peterborough Fire Authority) (Councillor J Peach substituting).

Item	Topic	Decision
1.2	Minutes – 31 January 2018	It was resolved to: approve the minutes of the meeting of 31st January 2018 as a correct record.
1.3	Petitions	None received.
1.4	Public Questions	None received.
	Part 2 – Key Decisions	
2.1	Budget 2018/19	It was resolved to: approve the 2018/19 Combined Authority budget as set out in Appendix 2.
	Part 3 – Non Key Decisions	
3.1	Budget 2018/19 (Mayor's Budget)	It was resolved to note the Mayor's budget for 2018/19.
	Part 4 – Date of Next Meeting	
4.1	Date of Next Meeting	It was resolved to note the date of the next meeting – Wednesday, 28 February 2018 at 10.30 am in the Civic Suite, Huntingdonshire District Council, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN

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Notes:

- (a) Statements in bold type indicate additional resolutions made at the meeting.
- (b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

For more information contact: Michelle Rowe Telephone: 01223 699180 /e-mail: michelle.rowe@cambridgeshire.gov.uk



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Decision Statement

Meeting: 28th February 2018

Published: 1st March 2018

Decision review deadline: 5.00p.m. on 8th March 2018

Each decision set out below will come into force, and may then be implemented at 5.00pm on the fifth full working day after the publication date, unless it is subject of a decision review. [see note on call in below].

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Apologies and Declarations of Interest	Apologies received from Councillor S Count (Councillor R Hickford substituting), Councillor J Holdich, Jason Ablewhite (Councillor R Bisby substituting), and J Bawden (Dr Gary Howsam substituting)

Item	Topic	Decision
1.2	Minutes – 14 February 2018	<p>It was resolved to:</p> <p>approve the minutes of the meeting of 14th February 2018 as a correct record subject to the deletion of “Huntingdonshire” on the first page, third sentence, of the Mayor’s announcement.</p>
1.3	Petitions	None received.
1.4	Public Questions	<p>Two questions were received, the questions and the response to the second question are published at the following link:</p> <p>Cambridgeshire and Peterborough Combined Authority meeting 28/02/2018</p>
1.5	Forward Plan	<p>It was resolved to:</p> <p>approve the Forward Plan of Executive Decisions dated to be published on 26 February 2018.</p>
1.6	Membership of the Combined Authority and Committees - Amendments	<p>It was resolved to:</p> <p>(a) note the appointment of Councillor Chris Seaton made by Fenland District Council to replace Councillor John Clark as its Member to the Combined Authority for the remainder of the municipal year 2017/2018 and Councillor Mike Cornwell as substitute.</p> <p>(b) note the changes in membership of the Overview and Scrutiny Committee and the Audit and Governance Committee made by Fenland District Council – Councillor Chris Boden appointed to the former and Councillor Anne Hay to the latter.</p>
Part 2 – Key Decisions		
2.1	Cambridgeshire & Peterborough 2030 Prospectus	It was resolved to agree to withdraw this report and bring it back to a future meeting.

	Part 3 – Non Key Decisions	
3.1	A10 Corridor – Key Findings and Next Steps	<p>It was resolved to:</p> <ul style="list-style-type: none"> (a) Note the findings of the Cambridge to Ely Transport Feasibility Study and the strong case for dualling the A10. (b) agree to delegate authority to the Chief Executive to approve this spend and update the Board at the March meeting. (c) Delegate authority to the Director of Transport to award the contract for the development of the Strategic Outline Business Case. (d) Authorise the Director of Transport to commence procurement for the Options Appraisal Report subject to approval of the contract being made at a future meeting of the Board before an appointment was made.
3.2	Senior Staffing Structure – Combined Authority and Local Enterprise Partnership	<p>It was resolved to:</p> <ul style="list-style-type: none"> (a) approve the proposals in respect of the senior officer structure as set out in the report; (b) approve the following posts creating the Chief Officer structure of the Combined Authority: <ul style="list-style-type: none"> 1) Legal Counsel 2) Director of Infrastructure 3) Director of Business and Skills 4) Director of Strategy and Planning 5) Director of Finance (c) Note the intention to agree the job descriptions, salary grades for the posts and to proceed to recruit to the posts through the Employment Committee.
3.3	Highways and Transport Capital Grants – Supplementary Allocations 2017/18	<p>It was resolved to consult the Combined Authority Board regarding the Mayor’s intention to allocate Pothole Action Fund grants totalling £974,047 to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula</p>

		as set out in the table below.								
		<table border="1"> <thead> <tr> <th>Constituent Council</th> <th>Allocation £'s</th> </tr> </thead> <tbody> <tr> <td>Peterborough City Council</td> <td>£167,536</td> </tr> <tr> <td>Cambridgeshire County Council</td> <td>£806,511</td> </tr> <tr> <td>Total</td> <td>£974,047</td> </tr> </tbody> </table>	Constituent Council	Allocation £'s	Peterborough City Council	£167,536	Cambridgeshire County Council	£806,511	Total	£974,047
Constituent Council	Allocation £'s									
Peterborough City Council	£167,536									
Cambridgeshire County Council	£806,511									
Total	£974,047									
	Part 4 – Financial Management and Audit									
4.1	Statutory Instrument for Borrowing	<p>It was resolved to:</p> <ol style="list-style-type: none"> (1) note the agreement of the Interim Chief Finance Officer (s.151 officer) to the Cambridgeshire and Peterborough Combined Authority Agreement and Debt Cap to 2019-20 (2) agree to a Statutory Instrument permitting the Combined Authority to extend its borrowing powers on condition that the Statutory Instrument did not require constituent councils to underwrite any borrowing of the Combined Authority (3) note that the Combined Authority would be requesting consent from its constituent councils to the making of the Statutory Instrument 								
	Part 5 – Local Enterprise Partnership Item (Key Decision)									
5.1	Greater South East Local Energy Hub (the 'hub')	<p>It was resolved to:</p> <ol style="list-style-type: none"> (a) Agree that with immediate effect the Combined Authority becomes the Accountable Body for the Greater South East Local Energy Hub. (b) Authorise the Chief Executive to employ staff as required to meet the administrative and technical requirements of administering the Greater South East Local Energy Hub. (c) Note the consent of the LEPs and their local authorities within the Greater South East Local Energy Hub area to the Combined Authority acting as the Accountable 								

		Body on its behalf.
	Part 6 – Date of Next Meeting	
6.1	Date of Next Meeting	It was resolved to note the date of the next meeting – Wednesday, 28 March 2018 Peterborough City Council, Town Hall, Bridge Street, Peterborough, PE1 1HF

Notes:

- (a) Statements in bold type indicate additional resolutions made at the meeting.
- (b) Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.

For more information contact: Michelle Rowe Telephone: 01223 699180 /e-mail: michelle.rowe@cambridgeshire.gov.uk

21 February 2018

Dear Leaders and Chief Executives,

I wanted to provide you with an update on the position of the Greater Cambridge Greater Peterborough Local Enterprise Partnership and the activity we have undertaken since December 2017.

Since December 2017 we have been primarily concentrating on:

- Resolving the financial and governance issues surrounding the business;
- Maintaining existing programmes and support for businesses; and
- Creating a new Business Board and integrated the Combined Authority and LEP organisation from 29th March 2018.

As a result of this focus we have secured the following:

- Government and the Accountable Body have released short term funding – this has provided a total of £780k
- The LEP now operates with greater transparency in the way it is managed, including more robust core governance strategies and systems. It will pass the aspects of the Mary Ney review and we are working with the Accountable Body (Cambridgeshire County Council) for them to be in a position to confirm this with Government;
- We continue to work towards Member Voluntary Liquidation (MVL) by 31st March 2018, as agreed by the LEP board in December 2017;
- Government has agreed to work with the LEP to ensure all and final funding can be released before the end of February 2018;
- Government has approved the principles of the new arrangements for the LEP from 29 March 2018;
- Plans for LEP staff to TUPE to the CA and establishing a new unified organisation have been advanced and will be completed by 31 March 2018;
- A new Shadow Business Board is being established that provide the basis for designing the new LEP model.

Here are the key points from the three main strands of work being conducted:

Finance and Governance - What's happened so far?

- Support for all financial work is has been provided by Grant Thornton (GT);
- GT have now produced the first draft of their financial assessment;
- The financial assessment will be critical for the MVL and will inform the assurance statement that will be provided by the Government;
- This will trigger the resignations of all current LEP Board Members (that have been provisionally agreed);
- The assurance is expected from Government in the next two weeks;

- Government released short term funding in January, and a further £264,000 remains to be paid. This is however expected from the Department for Business Energy and Industrial Strategy by the end of February 2018;
- We have also agreed and received Top Slice funding from our Accountable Body, and will shortly receive the outstanding Growth Hub funding for 2017/18;
- We have reviewed all aspects of governance and have introduced new practices including declarations of interest and updating and publishing policies including Complaints and Whistleblowing;
- These steps will fully meet the requirements of the Mary Ney review and we are working with the Accountable Body to sign these off before 28 February.

Maintaining Business as Usual

- David Edwards has been appointed in a full-time interim capacity to manage the existing business and support the smooth transition of business across to the new organisation. David is working with Kim Sawyer (on legal and governance matters), Paul Smith (on employee matters), and myself. David is very experienced in managing matters of this sort;
- All programmes continue to be supported, the Growth Hub is operating to assist business enquiries alongside ongoing work to support growth in our key industry sectors
- The area remains a very attractive place for investment and innovation;
- The Combined Authority is due to receive a report covering £1.3m of funding (over the next 2 years) to establish Energy Hubs.

The team continues to work effectively across the whole LEP area providing advice and support for businesses looking to grow or just getting started, as well as on major infrastructure schemes.

A New Model of Delivery

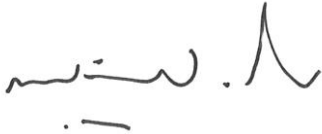
- From 29th March 2018, the LEP will move under the Combined Authority, a single team of specialist officers supporting both the Combined Authority and the LEP;
- A consultation process with LEP staff advance of a formal TUPE process is continuing;
- A Shadow Business Board will be established, and Councillor Charles Roberts has agreed to initially chair this group;
- This will be a short-term appointment for Councillor Charles Roberts, until recruitment for the permanent business and public-sector representatives has been settled;
- The geography for the LEP will remain the same as it is currently;
- Government funding for 2018/19 will reflect the area that is currently covered and therefore be wider than the boundary of the Combined Authority.

Over the coming months a range of reports and strategies will be brought forward – the first being to formally close the Greater Cambridge Greater Peterborough LEP on the 29th March through MVL.

I want to reassure you that we plan to create a new and successful LEP for the area. The first meeting of the LEP Shadow Business Board will be chaired by Cllr Roberts and take place on 22nd February 2018. All reports and minutes will be uploaded onto the LEP website following the meeting.

We will continue to update you on the progresses of the activity, and on the formation of the new LEP.

Kind regards,



Martin Whiteley
Chief Executive
Cambridgeshire and Peterborough Combined Authority and Local Enterprise Partnership

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