



Cambridge City Council Civic Affairs

Date: Wednesday, 7 February 2024

Time: 5.30 pm

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

Contact: democratic.services@cambridge.gov.uk, tel:01223 457000

Agenda

- | | | |
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| 1 | Apologies | |
| 2 | Declarations of Interest | |
| 3 | Minutes | (Pages 3 - 4) |
| 4 | Public Questions | |
| 5 | 2023/24 Statement of Accounts - Accounting Policies and Significant Areas of Judgement | (Pages 5 - 16) |
| 6 | Internal Audit Update | (Pages 17 - 40) |
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| 9 | Update to Flag Protocol | (Pages 101 - 106) |
| 10 | Officer Delegated Decisions | |
| 10a | Powers of the Chief Executive, Cambridge City Council-delegation | (Pages 107 - 108) |
| 10b | To Implement the Joint Negotiating Committee for Chief Executives of Local Authorities Pay Award for 2023-24 | (Pages 109 - 110) |
| 10c | To implement the National Joint Council for Local Government Services (NJC) Pay Award for 2023-24 for employees on Bands 1-11. | (Pages 111 - 112) |

Civic Affairs Members: McPherson (Chair), Davey (Vice-Chair), Bennett, Robertson, Sheil and Young

Alternates: Bick, Moore and Tong

Information for the public

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The full text of any public question must be submitted in writing by noon two working days before the date of the meeting or it will not be accepted. All questions submitted by the deadline will be published on the meeting webpage before the meeting is held.

Further information on public speaking will be supplied once registration and the written question / statement has been received.

CIVIC AFFAIRS

18 October 2023

5.30 - 5.55 pm

Present: Councillors McPherson (Chair), Davey (Vice-Chair), Bennett, Sheil and Young

Cllr Smart (Deputy Leader, non-statutory)
Gary Clift Democratic Services Manager

FOR THE INFORMATION OF THE COUNCIL

23/33/Civ Apologies

Apologies were received from Councillor Healy.

23/34/Civ Declarations of Interest

There were no declarations of interest.

23/35/Civ Minutes

The minutes of the meetings held on 20 September 2023 were approved as a correct record and signed by the Chair.

23/36/Civ Public Questions

There were no public questions.

23/37/Civ To consider recommendations of the Governance Reference Group 9 October 2023

The Committee received a report from the Chief Executive and Cllr Smart Deputy Leader (non-statutory) introduced the recommendations of the Governance Reference Group (GRG).

Cllr Smart proposed to the Committee that the third recommendation concerning changes to the Oral Question process at Council Meetings should be withdrawn as it required further consideration by the GRG. The Committee concurred.

In response to a request from Councillor Bennett, the guidance provided to the public on Public Question Time will be made clearer so that Councillors are made aware of not only the name of the members of the public but who they represent and how many people they are representing. It will also be the new practice to display public questions on the screen/livestream as well as including them as a supplement to the Agenda on the website.

Councillor Young confirmed that the Liberal Democrat Group were of the view that Area Committees should not be paused until a replacement had been considered and agreed. During discussion and at the request of Councillor Davey, the Committee agreed that a date should be set for proposals to come back to it and therefore should be considered at its 10 July 2024 meeting.

Recommendations to Council (unanimous)

- (i) To pause area committee meetings for two cycles (approximately six months) after the November/December 2023 cycle of meetings. (para 3.3-3.5 of the officer report)
- (ii) That Council Procedure Rules (Appendix A2 Rules of Debate on the Budget) is amended to change the length of speeches per group from up to 45 minutes to up to 15 minutes, and to note that the Council meeting on 15 February 2024 will deal with all agenda business and the scheduled 'follow on' Council meeting date of 29 February 2024 is therefore no longer required. (para 4.3 of the officer report)
- (iii) Public Questions (except for Planning Committee) to be received in writing, in full, by noon two days before a meeting, not read out, with a Councillor reply of up to two minutes, a public supplementary of up to two minutes and a councillor reply to that of up to two minutes. (para 4.5 of the officer report)

The meeting ended at 5.55 pm

CHAIR



STATEMENT OF ACCOUNTS 2023-24 – ACCOUNTING POLICIES AND SIGNIFICANT AREAS OF JUDGEMENT

To:

Civic Affairs Committee 07/02/2024

Report by:

Caroline Ryba, Chief Finance Officer

Tel: 01223 - 458134 Email: caroline.ryba@cambridge.gov.uk

Wards affected:

All

1. Introduction

- 1.1 The Council is required to produce a Statement of Accounts on an annual basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'). This report sets out the significant areas of accounting judgement and sources of estimation uncertainty which are likely to arise in relation to the 2023-24 accounts.
- 1.2 There are no significant changes to accounting policy proposed this year. Furthermore, section 6 briefly sets out accounting policy changes relating to future years.

2. Recommendations

- 2.1 To note that there are no significant changes to accounting policies anticipated for the 2023-24 Statement of Accounts.
- 2.2 To note and approve the proposed critical judgements and major sources of estimation uncertainty in respect of the 2023-24 Statement of Accounts.
- 2.3 To note the position regarding the outstanding audit of the 2022-23 Statement of Accounts and the impact of the delay in concluding audit procedures on production of the 2023-24 Statement of Accounts.

3. Background

- 3.1 The Code is updated on an annual basis to reflect changes to accounting standards and practice. Officers have reviewed the 2023-24 Code and concluded that there are no changes to the Code which will have a significant impact on the Council's accounting policies or its Statement of Accounts.
- 3.2 The previous year's draft accounts were published on 22 June 2023. The statutory deadline for publication of the audited accounts was 30 September 2023. Following on from earlier discussions and a report to the meeting of this committee held on 5 July 2023, the Council received confirmation on 28 September 2023 that EY would be unable to conclude the audit by the statutory deadline. This resulted in the Council publishing a notice on its website, as required by the relevant legislation, explaining why the audited accounts had not been published.
- 3.3 Key stakeholders have been discussing with government the most appropriate solution to resolve the significant audit backlog impacting local authorities nationally. In November 2023, it was reported that only five authorities (1%) had published their audited 2022-23 statement of accounts on or before 30 September 2023. The same report confirmed that, as at 30 September 2023, 918 audit opinions had not been issued spanning multiple financial years. The Council is fortunate as the audit of its 2021-22 financial statements was completed on 30 November 2022. The 2022-23 audit is therefore the only audit which is currently outstanding.
- 3.4 It had been hoped that government would be in a position by the end of 2023 to consult with the sector on potential solutions to the current situation. No announcement has been made as at the date of this report. A verbal update will be provided at the meeting.

4. Arrangements for production of the 2023-24 statement of accounts

- 4.1 The statutory deadline for publication of the 2023-24 statement of accounts is 31 May 2024. Good progress has been made to establish a closedown timetable to enable this to be achieved. Officers have taken steps to address the issues which prevented the 2022-23 accounts from being published by 31 May 2023. This has included closer working with

the third parties which provide the professional valuations which are needed to close the accounts.

- 4.2 Much of the work to produce the 2023-24 statement of accounts can be completed irrespective of whether the audit of the previous year's accounts has been concluded. The work required to close the accounts is important in establishing the outturn position for the year. The outturn will be reported to members in July 2024 as part of the established reporting arrangements. The outturn report is an important document to communicate in a public forum the extent to which the Council has been successful in managing its finances within the amounts allocated as part of approved budgets.
- 4.3 It is unlikely, however, that it will be possible for the 2023-24 draft statement of accounts to be issued prior to the publication of the audited 2022-23 statement of accounts. This is because significant elements of the statement of accounts report on the difference between the opening and closing balance sheet positions. The opening balance sheet position can only be finalised once work on the audit of the 2022-23 accounts has been concluded. It remains unclear, as at the date of this report, whether the audit of the 2022-23 accounts will be completed prior to 31 May 2024.
- 4.4 As part of the closedown-planning process, this report aims to give the Civic Affairs Committee early sight of the critical judgements and major sources of estimation uncertainty likely to feature in the 2023-24 Statement of Accounts. It is expected that many of these areas will also be areas of focus for the external auditors when they present their Audit Plan to the Committee. This is tentatively scheduled for 13 May 2024 but depends, in part, on the sector's solution to resolving the audit backlog referred to in section three of this report.
- 4.5 A further briefing on the Statement of Accounts will be arranged for members of the Civic Affairs Committee when the draft accounts published.

5. Critical Judgements in Applying Accounting Policies

- 5.1 In applying its accounting policies, the Council is required to make certain judgements about complex transactions or those involving uncertainty about future events. Where such judgements are significant, they must be disclosed within the accounts. One such judgement has been identified to date in relation to 2023-24 (as consistent with the prior year), and this is set out below.

Funding Uncertainty

- 5.2 The government published the provisional local government finance settlement in December 2023. The announcement was a one-year settlement which largely confirmed the indicative allocations which had been communicated as part of the previous year's settlement. There are long-term uncertainties about the funding of local government. Revisions to the existing methodology to allocate central government funding have not been completed and are unlikely to be concluded prior to the next general election. Similarly, future arrangements for business rates are unclear. Changes to these arrangements are expected which would include resetting each local authority's baseline position. Such a reset would enable the growth in business rates observed nationally to be distributed more evenly.
- 5.3 Officers could instruct the Council's valuers to make specific assumptions regarding future service levels to inform the valuation of land and buildings owned by the Council which are used to provide Council services. Anticipated reductions in service levels may contribute to a reduction in the valuation of assets for accounting purposes. This is because local authorities value their operational assets with reference to their existing use value which is determined based on the service potential associated with those assets. At the current time officers have not provided any specific directions regarding future service levels. This reflects both uncertainty about future funding and ongoing work within the Council as part of its 'Our Cambridge' transformation programme to review how services operate and the assets the Council will need to retain to support future service provision.
- 5.4 The decision not to make specific assumptions about future service provision to inform the valuation of assets is consistent with previous years and remains reasonable and consistent with the Council's Medium Term Financial Strategy and its Corporate Plan. Nevertheless, officers believe that it is instructive to users of the accounts to identify and disclose the approach taken as a critical accounting judgment. This disclosure complements the disclosures relating to estimation uncertainty referred to below.

6. Major Sources of Estimation Uncertainty

- 6.1 The preparation of the Statement of Accounts requires a range of judgements, estimates and assumptions to be made which affect the figures within the accounts. Where there is a significant risk that such estimates may change materially in the following year, these must be disclosed within the accounts, along with the key methodology and assumptions adopted, and the sensitivity of the estimates to changes in these assumptions.
- 6.2 The following areas of significant estimation uncertainty have been identified for disclosure in the 2023-24 accounts:

Pensions Liability

- 6.3 Estimation of the net asset or liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A liability exists where the value of liabilities exceeds assets. A pension asset is recognised if the valuation of assets exceeds liabilities. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.
- 6.4 The Council obtained an updated valuation from the consulting actuary as part of work to produce the 2022-23 statement of accounts. The valuation indicated that, as was the case for many local authority pension funds, economic conditions, particularly elevated yields on corporate bonds, meant that the Council recognised a net pension asset in its Balance Sheet valued at £6.865 million. The extent to which that asset is subject to a material change because of a small change in the actuary's modelling assumptions is illustrated by the sensitivity analysis below:
- Decreasing the real discount rate, which is based on the corporate bond yields referred to above, by 0.1% would have reduced the asset by £4.97million.
 - An increase in member life expectancy of 1 year would have reduced the asset by £11.665 million (resulting in a pension liability).
 - Increasing the CPI assumption by 0.1% would have decreased the asset by £4.529 million.
- 6.5 The underlying assumptions and therefore the value of the liability will be reassessed by the actuaries as at 31 March 2024. Whilst changes to the assumptions do not immediately impact usable reserves, any longer-term increase in the underlying liability would likely lead to an increase in

the level of employer contributions to be charged to the General Fund and HRA in future years.

Property, Plant and Equipment

- 6.6 Assets are depreciated over useful lives that are dependent upon assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the Council did not sustain its current spending on repairs and maintenance the useful lives currently assigned to assets may be reduced.
- 6.7 In addition, the Council is required to value its operational properties (land and buildings) at 'current value'. For non-specialised assets such as office buildings, this is taken to be the value of the property in its existing use (e.g. disregarding any redevelopment potential). For specialised assets such as swimming pools, a depreciated replacement cost approach is used. Council dwellings are valued based upon an existing use value for social housing, which applies a discount factor to reflect the fact that they are let on protected tenancies at lower than market rents.
- 6.8 Any valuation requires certain assumptions and estimates to be made, and therefore there is an inherent risk that valuations may change materially in subsequent years. This risk is mitigated through the appointment of independent external property valuers, who are engaged to value properties in accordance with the requirements of the Code, and the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards.
- 6.9 The frequency of valuations depends upon the type of value of each property, as follows:-

Property type	Total value (land and buildings)	Valuation frequency
Operational – non-specialist	£3 million or greater	Annually
	Less than £3 million	5-yearly
Operational - specialist	£1 million or greater	5-yearly, with indexation in the intervening years
	Less than £1 million	5-yearly
Council dwellings	All	Annually, on a beacon basis, with full valuation, including physical inspection, of beacon

		properties on a rolling 5-yearly cycle
Surplus assets	All	Annually
Assets held for sale	All	Annually

- 6.10 In addition to the above programme of planned valuations, the external valuers also carry out an annual ‘materiality review’ to identify any risks of material movements in the value of properties not scheduled for review in any given year. Where any such risks are identified, an additional valuation is conducted.
- 6.11 Council dwellings are valued using a beacon approach, whereby properties are grouped into similar ‘archetypes’ based upon type, size, age and location. Within each archetype a representative property is chosen for valuation, and the value derived is then applied to the whole archetype.
- 6.12 Following a competitive tender process, the Council appointed new external valuers for its non-dwelling properties for the 2021-22 accounts (Bruton Knowles). The 2021-22 audit was completed with only minimal queries being raised about the methodologies used by Bruton Knowles. As noted above detailed work on the 2022-23 audit has not yet been undertaken. Bruton Knowles will complete the valuation of non-dwelling properties for the 2023-24 accounts and initial discussions about this year’s work programme have already taken place. No significant issues have been identified. Wilks, Head and Eve will continue to be responsible for the valuation of council dwellings and early engagement with their team is scheduled to commence shortly.
- 6.13 The total value of council dwellings as at 31 March 2023 was £726.43 million, and the total value of other operational properties was £144.35 million.

Business Rate Appeals

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

- 6.15 A provision is therefore recognised for the best estimate of the amount that will be repayable following successful rating valuation appeals. The provision is calculated using an estimate of the likely remaining average reduction in rateable values over the life of the 2017 Valuation Office Agency (VOA) ratings list, plus an estimate of the amounts which will be required to settle appeals still outstanding on the 2010 ratings list. The estimates are based upon historical experience, and the Council has employed relevant experts to assist with this process. However, it remains possible that appeals may be settled at amounts which differ from these estimates.
- 6.16 The Valuation Office Agency completed a revaluation of properties registered for business rates and this determined business rates payable with effect from 1 April 2023. The need for any provision relating to appeals in respect of the 2023 rating list will be considered as part of work to produce the 2023/24 accounts.
- 6.17 The Council's share of the provision is currently forecast to be £2.984 million as at 31 March 2024, although this will be reassessed at year-end.

Fair Value Measurements

- 6.18 The Code requires many of the Council's assets to be held on the balance sheet at fair value, which is the price that an independent market participant would pay for the asset as at the balance sheet date.
- 6.19 Where possible, fair value is measured based upon quoted prices for identical assets in an active market (known as level 1 inputs). However, where such prices are not available, other valuation techniques must be used. These can be based upon observable (level 2) or unobservable (level 3) inputs.
- 6.20 Wherever level 1 inputs are not available for material assets or liabilities, the Council employs relevant experts to identify the most appropriate valuation techniques and to undertake valuations as required.
- 6.21 The most significant assets held by the Council and valued using level 2 or level 3 inputs are its investment properties. The table below provides more information regarding the approach taken to value these assets:-

Asset	Value (31 March 2023)	Valuation Approach
Investment properties (including investment properties held for sale)	£162.5m	Valuation undertaken by external property valuers using a range of observable and unobservable inputs (level 3), such as expected yields, market rents and land values. Approaches adopted include the investment method (capitalising rental values using expected yields) and the comparable method (using recent market transactions of similar properties with appropriate adjustments).

6.22 Investment properties with a value of £500,000 or greater are valued annually, whilst smaller properties are valued on a rolling 5-yearly basis. As with operational properties, an annual ‘materiality review’ is conducted by the valuers to identify any risks of material movement in the value of properties not subject to revaluation in any given year.

7 Future Developments

7.1 This section provides an update on upcoming developments impacting the Council’s accounts including the latest position in relation to matters brought to the committee’s attention in previous years.

IFRS 16 Leases

7.2 It had originally been anticipated that a change in the approach to accounting for leased assets would be implemented from 1 April 2022. Following consultation with local authorities, HM Treasury, local authority auditors and other stakeholders CIPFA determined in April 2022 that the implementation date would be put back to 1 April 2024. Authorities are permitted to voluntarily adopt from 2023/24 if they wish to do so.

7.3 Early work has been undertaken to assess the likely impact of implementing the new standard. However, since no material benefits associated with early implementation have been identified, officers do not propose to implement the standard until 2024/25 when it becomes mandatory. The Council is required to include a disclosure note in its accounts setting out the expected impact of the new standard on the 2024/25 accounts. At the present time the standard is not expected to have a material impact but further work is required prior to publication of the 2022/23 statements to confirm this is the case.

MRP Consultation

- 7.4 It was reported to this Committee in February 2022 that the government was undertaking a consultation on changes to the Statutory Guidance on Minimum Revenue Provision (MRP). During the consultation the government made changes to its original proposals to address concern expressed by local authorities about the impact the proposed changes would have on authorities which had made loans to Council-owned subsidiaries, joint ventures and third parties.
- 7.5 The Council has made loans to a range of organisations. The original MRP proposals could have significantly impacted on the viability of future loans and meant the Council needed to charge MRP on existing loans. The revised proposals reduce the likelihood that MRP will be required in relation to Council loans providing there is no expectation that the Council will experience a loss in respect of the loans it has made. Existing budgeting and accounting arrangements already require the Council to be vigilant about the risk of loans not being recoverable. Therefore, the expected changes to MRP guidance, as referred to in the most recent consultation documentation, are not expected to impact the Council's financial statements or its Medium Term Financial Strategy.
- 7.6 Originally, it was expected that changes to the statutory guidance would be effective from 2023/24. It is now anticipated that the changes will be effective from 2024/25.

8. Implications

a) Financial Implications

As set out throughout this report.

b) Staffing Implications

None.

c) Equality and Poverty Implications

None.

d) Net Zero Carbon, Climate Change and Environmental Implications

None.

e) Procurement Implications

None.

f) Community Safety Implications

None.

9. Consultation and communication considerations

The draft Statement of Accounts are due to be published on the Council's website by 31 May 2024, and will be subject to a public inspection period in accordance with the Accounts and Audit Regulations 2015 (as amended).

10. Background papers

Draft Statement of Accounts 2022-23 Inspection of papers

To inspect the background papers or if you have a query on the report please contact Caroline Ryba, Chief Finance Officer, tel: 01223 - 458134, email caroline.ryba@cambridge.gov.uk

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Item

INTERNAL AUDIT UPDATE

To:

Civic Affairs Committee [07/02/2024]

Report by:

Jonathan Tully, Head of Shared Internal Audit Service

Tel: 01223 - 458180 Email: jonathan.tully@cambridge.gov.uk

Wards affected:

All

Introduction / Executive Summary

The purpose of this report is to inform the committee of the work of Internal Audit, completed between August 2023 to January 2024, developments within the team, and the forward plan of work.

The role of Internal Audit is to provide the Civic Affairs Committee, and Management, with independent assurance on the effectiveness of the internal control environment.

Recommendations

It is recommended that the Committee note the contents of the Internal Audit update report.

Background

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.”

Internal Audit assists the Council, and the Civic Affairs Committee, to discharge its governance responsibilities. Our work supports the Council’s corporate objectives, and the corporate governance framework.

Internal audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the council's ability to achieve its objectives.

Internal Audit work should help add value to the Council by helping to improve systems, mitigate risks, and subsequently inform the Annual Governance Statement.

Implications

(a) Financial Implications

None.

(b) Staffing Implications

The audit plan reflects current available resources, and factors in current vacancies in the team, plus time for successful recruitment.

(c) Equality and Poverty Implications

There are no implications.

(d) Net Zero Carbon, Climate Change and Environmental Implications

None.

(e) Procurement Implications

None.

(f) Community Safety Implications

None.

Consultation and communication considerations

None

Background papers

Background papers used in the preparation of this report:

Risk-Based Internal Auditing – Working Standards and Procedures

Public Sector Internal Audit Standards

CIPFA Local Government Application Note

Cambridge City Council Risk Registers

Corporate Plan

Appendices

- a) Internal Audit Progress report
- b) Audit definitions

Inspection of papers

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

Jonathan Tully, Head of Shared Internal Audit Service,
tel: 01223 - 458180, email: jonathan.tully@cambridge.gov.uk.



Appendix A – Progress Report

Cambridge City Council

Introduction

1. Management is responsible for the system of internal control and establishes policies and procedures to help ensure that the system is functioning correctly. On behalf of the Civic Affairs Committee, Internal Audit acts as an assurance function by providing an independent and objective opinion on the control environment.
2. The purpose of this report is to provide an update on the recent work completed by internal audit. The information included in the progress report will feed into and inform our overall Head of Internal Audit (HoIA) opinion on internal control. This opinion will in turn be used to inform the Annual Governance Statement which accompanies the Statement of Accounts.
3. Where appropriate, reports are given an overall opinion based on four levels of assurance. This is based on the evaluation of the control and environment, and the type of recommendations we make in each report. If a review has either “Limited” or “No” assurance, the system is followed up to review if the actions are implemented promptly and effectively. Further information is available in Appendix B – Glossary of terms.

Resources and team update




4. An audit plan is presented at least annually to the Civic Affairs Committee. It is good practice to continually review the plan, to reflect emerging risks, revisions to corporate priorities, and changes to resourcing factors. Since June 2020 we have reported a six-month plan, as this gives us the flexibility to respond and deliver an audit plan that adds value to the Council.
5. The audit assignments are delivered by a team of audit staff including a mix of highly regarded professional qualifications (including CIPFA, ACCA and IIA). The team currently has one substantive vacancy, which is included in the resource plan, and we plan to recruit substantively into the position. We can also utilise alternative resources such as agency workers or internal secondments.
6. We have a Graduate Trainee in the team who is spending a 9-month secondment as part of the Local Government Association National Graduate Development Program. This is a really positive development for the team and provides a great quality foundation for their ongoing development.
7. We have maintained our periodic PSIAS assessments and identified learning and development opportunities for the team in 2023/2024. We are preparing for a future external assessment and the new Global Internal Audit Standards.
8. As anticipated, we continued to provide the Council with support on Business Grant stimulus packages. The amount of resource required for this activity was less than the previous year, as the scheme reconciliation and sampling was concluded. We undertake this work where we consider it adds value and proactively supports the governance risk and control environment.
9. We are pleased to have still completed audit reviews in the period as this enables us to provide an opinion for the Annual Governance Statement. Our plan is risk based, and in most cases any delayed reviews will commence at the next suitable opportunity.
10. We have identified 5 new reviews to add to the plan, as priority work. These are risk-based reviews of Housing Safety Compliance and help support the Council prepare for the new reporting requirements from the Housing Regulator.
11. Progress of the plan delivery, plus our forward plan, is illustrated on the following pages for information.

Progress update and Opinion



Key Themes

12. As in previous years, Internal Audit will continue to support the governance, risk and control environment within the Council. There will continue to be liaison with key stakeholders, such as the external auditors so that resources are used effectively.
13. Our reviews are categorised to help us communicate the areas of focus. Our top key themes include:

Theme	Details
Transformation 	The Council continually seeks continuous improvement. We will proactively support this process as new opportunities are identified. We will also review new systems, after implementation, for benefits realisation and to provide assurance that key controls continue to operate effectively.
Resilience and recovery 	Our plan reflects changes to the risk and control environment as events continue to drive rapid change across the Council. We will add value to the Council by providing real-time assurance on new and developing processes and controls.
Governance 	We review governance areas where it helps add value to the Council, stakeholders, or if there is a statutory requirement. We also contribute to the Annual Governance Statement.

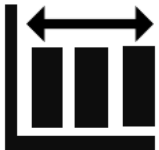
Assurance and opinion



14. The audit plan enables me to provide an independent opinion on the adequacy and effectiveness of the systems of internal control in place. These systems comprise risk management, corporate governance, and financial control. My opinion will inform the Annual Governance Statement.
15. Our work is carried out to assist in improving control. Management maintains responsibility for developing and maintaining an internal control framework. This framework is designed to ensure that:
 - the Council's resources are utilised efficiently and effectively;
 - risks to meeting service objectives are identified and properly managed; and
 - corporate policies, rules and procedures are adequate, effective and are being complied with.
16. Assurance is received from a number of sources. These include the work of Internal Audit; assurance from the work of the External Auditor; the Annual Governance Statement, the Local Code of Corporate Governance and the Risk Management process. This enables a broader coverage of risks and ensures that the totality of the audit, inspection and control functions deployed across the organisation are properly considered in arriving at the overall opinion.
17. If the audit reviews undertaken identified that the control environment was not strong enough, or was not complied with sufficiently to prevent risks to the organisation, we issue recommendations to improve the system of control and compliance. Where these recommendations are considered to have significant impact on the system of internal control, the implementation of actions is followed-up and is reported.
18. It is the opinion of the Head of Shared Internal Audit that, taking into account all available evidence, reasonable assurance may be awarded over the adequacy and effectiveness of the Council's overall internal control environment, governance and risk management arrangements. This remains at a similar level to the previous period.





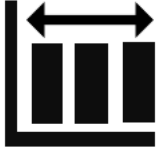

Finalised reviews


The following reviews have reached completion, since August 2023:

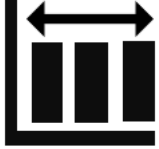
Audit	Assurance and actions		Summary of report and actions
<p>Carbon Management – Data Quality</p> 	<p>Assurance:</p> <p>Current: Full</p> <p>Previous: Full</p> <p>Actions:</p> <p>Critical 0</p> <p>High 0</p> <p>Medium 0</p> <p>Low 0</p>		<p>The Council has published a comprehensive Climate Change section on its website, which includes the Council’s Climate Change Strategy 2021-26.</p> <p>Statistical information is reported in the Greenhouse Gas (GHG) annual report. This includes emissions from the estate and operations owned and controlled by the Council.</p> <p>The Council has been reporting its annual GHG emissions accounts since 2015/16. They have been drawn up according to the principles outlined in the latest Environmental Reporting Guidelines issued by the Government’s Departments for Environment, Farming and Rural Affairs, (DEFRA), and Business Energy and Industrial Strategy (BEIS) (Note: As of 2023 BEIS has been split into three departments with carbon reporting being overseen by the newly formed Department for Energy Security and Net Zero (DESNZ)).</p> <p>We completed a data quality check for the data for the reporting period is 1st April 2022– 31st March 2023. This included reviewing the accuracy of data input, and that all calculations and formulae were correct. Data was also verified back to available source data. Feedback was provided where data was incorrect, the appropriate corrections were completed, and the revised data sets were subsequently rechecked. This provides assurance that the data was reliable.</p> <p>There were no actions arising.</p>

Audit	Assurance and actions		Summary of report and actions
Grant distribution - Community and partnerships 	Assurance: Current: Previous: Actions: Critical High Medium Low	Reasonable New review 0 0 1 0	<p>The Council has a Community Grant Fund which is available for projects that will help to reduce social or economic inequality in Cambridge.</p> <p>Grant schemes can be at risk of fraudulent applications. Public Sector knowledge of fraud risk, and effective internal controls, has developed during the management of the pandemic business grant schemes where there was high risk exposure.</p> <p>We worked with the Grants Manager to discuss their current grants process and internal controls.</p> <p>There are existing controls in place to screen applications and monitor grant delivery. We also worked with the grants team to implement additional controls that check applicant details and bank accounts, to proactively identify potential fraud at the point of application.</p>
Community Facilities - The Meadows 	Assurance: Current: Previous: Actions: Critical High Medium Low	Reasonable New review 0 0 0 0	<p>We completed a physical site review of The Meadows Community Centre, located in Arbury, that was newly built in 2023.</p> <p>As publicly accessible Community Centre the Council has to balance both accessibility and security. We reviewed access points, key management, procedures, CCTV, partner and contractor access, plus alarm security.</p> <p>The security systems at the Meadows Community Centre are sufficient and proportionate. Areas are segregated securely as needed, keys are managed well, and CCTV is complete. It was noted that upon arrival the door to the office was left open, a reminder to staff now and when this is noticed in future should embed the practice of keeping staff areas secure during the day. Regarding procedures followed by staff, performing a 'walk around' before opening and after closing is positive, as is controlling the distribution of keys to external staff.</p>

Audit	Assurance and actions		Summary of report and actions
Grant Assurance – Sustainable Warmth Grant: HUG 1 	Assurance: Current: Previous: Actions: Critical High Medium Low	Reasonable New review 0 0 0 0	<p>Central Government launched a Sustainable Warmth Competition, investing £500 million across 78 projects to upgrade energy inefficient homes of low-income households in England across various schemes within the Competition.</p> <p>The Council was awarded £4,624,998 and has spent £1,220,685.32 (26%) from the Home Upgrade Grant 1 scheme.</p> <p>The Council was awarded £1,840,000 and has spent £978,772.68 (53%) from the Local Authority Delivery 3 scheme.</p> <p>Feedback from the grant team highlights challenges with suppliers' capacity to deliver the scheme within the limited timeframe.</p> <p>We completed sample testing of actual expenditure to provide assurance back to the Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy that it was compliant with the grant conditions.</p>
Grant Assurance – Sustainable Warmth Grant: LAD3 	Assurance: Current: Previous: Actions: Critical High Medium Low	Reasonable New review 0 0 0 0	<p>This assurance helps support delivery of the next schemes under the Sustainable Warmth Competition initiative.</p>

Audit	Assurance and actions		Summary of report and actions
<p>Payroll</p> 	<p>Assurance:</p> <p>Current: Reasonable</p> <p>Previous: Reasonable</p> <p>Actions:</p> <p>Critical 0</p> <p>High 0</p> <p>Medium 2</p> <p>Low 0</p>		<p>We completed a follow-up of actions from our previous review.</p> <p>There has been positive progress made with implementing the 2018/2019 and 2020/2021 management agreed actions. Nine of the eleven management agreed actions have been implemented and one medium priority action is no longer needed, due to the implementation of the new iTrent system.</p> <p>There is an outstanding medium priority action. The existing draft SLA agreement should be progressed and signed. This action should also be completed in respect of the next 2024 – 2029 SLA Agreement.</p> <p>The new iTrent system has reports which could provide the Human Resources team with some useful data insights, and we have encouraged the team to review these.</p>
<p>Grant Assurance – Changing Places</p> 	<p>Assurance:</p> <p>Current: Reasonable</p> <p>Previous: New</p> <p>Actions:</p> <p>Critical 0</p> <p>High 0</p> <p>Medium 1</p> <p>Low 0</p>		<p>The Council received £100,000 to deliver the Changing Places Toilet scheme on behalf of Central Government.</p> <p>We provided a planned interim grant assurance review to DLUHC that existing expenditure and accruals were compliant with the scheme.</p> <p>We also reviewed the project management delivery and governance. There is regular engagement with DHLUC to keep them apprised of the project progress. We identified and agreed an action to improve the local project management plan to support delivery.</p> <p>A further review is planned at the end of the scheme.</p>

Audit	Assurance and actions		Summary of report and actions
<p>Procurement – Declarations of Interest</p> 	<p>Assurance: Current: Previous:</p> <p>Actions: Critical High Medium Low</p>	<p>Reasonable New</p> <p>0 0 5 0</p>	<p>All employees are required to declare potential conflicts of interest in procurement, and Senior Managers must declare pecuniary interests annually. The current processes are based on historic practices dating back to the 1970s.</p> <p>The Council is currently undergoing an organisational wide Transformation which has restructured Teams and Groups.</p> <p>We participate in the National Fraud Initiative data matching exercise. We used the data to help support a review of the process for declaring interests, and the data matches highlighted some potential non-compliance. Following our review we concluded these were not a concern, as the employees were not involved directly in procurement, and have since been rectified. It does highlight that there is an opportunity to review and improve the current processes.</p> <p>We have agreed actions to review the scope of the pecuniary interest framework, refresh and promote guidance to employees, and modernise the processes in place. This should help improve the internal controls and reduce the risk of a significant non-compliance occurring.</p>

Audit	Assurance and actions		Summary of report and actions
<p>Grant assurance – Disabled Facility Grant</p> 	<p>Assurance:</p> <p>Current: Full</p> <p>Previous: Full</p> <p>Actions:</p> <p>Critical 0</p> <p>High 0</p> <p>Medium 0</p> <p>Low 3</p>		<p>This funding enables the Council to carry out improvements to housing stock and disabled adaptations.</p> <p>We reviewed a sample of grants, plus their supporting documentation. This provided assurance that:</p> <ul style="list-style-type: none"> • grants were only awarded to eligible applicants; • applications were supported by a qualified independent medical referral; • applications were processed promptly; • suppliers and contractors were appropriately procured, and awarded based on value for money; • any project cost variations were appropriately reviewed and approved; • financial records were completed and reconciled; • projects were effectively managed by the HIA; and • grants were used for capital expenditure as set out in the MHCLG conditions. <p>We agreed three low level actions to assist with record keeping and reporting on the new system.</p> <p>The Home Improvement Agency has also worked with the Legal team in response to recent case law. This will help alleviate the current challenge of meeting disabled people's needs by increasing the amount that can be funded by a DFG.</p>

Our work in progress and forward plan

Below is a table of our indicative forward plan for the next six months. Some reviews are in progress, and we have also provided an update on their status:

Audit	Assurance type	Progress update	Scope and description
Corporate Plan Objectives			
HRA - Safety - Governance and Oversight	Compliance	These are new reviews added to the audit plan. Testing is in progress.	<p>Legislation, such as the Social Housing (Regulation) Bill, has been developing since the Social Housing White Paper in 2020. The new Social Housing (Regulation) Bill has two very notable focus areas: fundamental reform to the remit and powers of the Regulator for Social Housing (RSH) – from reactive to proactive regulation; and a focus on Health and Safety matters including tenant empowerment.</p> <p>Local Authority Registered Providers (LARPs) are now accountable to the Regulator of Social Housing (RSH).</p> <p>We have agreed a testing programme to help the Council respond to the changes. For each review we will provide assurance that the Council has appropriate governance framework for the monitoring and reporting of housing safety compliance.</p>
HRA - Safety - Asbestos			
HRA - Safety - Fire			
HRA - Safety - Electrical			
HRA - Safety - Stakeholder engagement			
Safeguarding - Modern Day Slavery	Heartbeat assurance	This work is in progress	Review of the existing governance arrangements in respect of modern-day slavery.
Customer Portal	Technology review	This work is scheduled for later in the year.	Review of the customer portal and consider if there are any further opportunities for improvement.

Audit	Assurance type	Progress update	Scope and description
Business Transformation - Project Management Framework	Governance	This work is scheduled for later in the year.	Review the framework and governance arrangements for managing projects, plus review of the new enterprise portfolio management system.
Core Assurance Work			
Information Governance - GDPR	Governance	This work is in progress.	Compliance check on a selection of thematic areas and assurance from participation of the corporate Information Security Group.
Ethics, Culture and Governance	Governance	This work is in progress.	Each year we will allocate some resource to assess and make appropriate recommendations to improve the organisation's governance processes, including promoting appropriate ethics and values within the organisation.
Grant Assurance – Changing Places	Grant assurance	This work is scheduled for later in the year.	This is a central govt scheme to scheme to build disabled access toilet facilities. We will provide the S151 with assurance that the grant conditions have been met. This is the second tranche of assurance.
Grant assurance - Home Upgrade Grant – P2	Grant assurance	This work is in progress.	This is a central government scheme to assist decarbonisation as part of the Action on Energy Initiative. We will review a sample of grants to provide assurance that funds were spent in accordance with grant conditions.
VAT	Compliance	This work is in progress.	Financial controls review, supplemented by National Fraud Initiative testing

Counter fraud and corruption update

National Fraud Initiative

19. The Council participates in a national data matching service known as the National Fraud Initiative (NFI), which is run by the Cabinet Office. Data is extracted from Council systems for processing and matching. It flags up inconsistencies in data that may indicate fraud and error, helping councils to complete proactive investigation. Nationally it is estimated that this work has identified £1.69 billion of local authority fraud, errors and overpayments since 1996. Historically this process has not identified significant fraud and error at Cambridge City Council, and this provides assurance that internal controls continue to operate effectively.
20. We have recently completed the data submission for the 2023/2024 exercise. This includes extracting, checking and processing data from Council systems; plus reviewing compliance with data protection regulations. Relevant datasets in this exercise include: Council Tax and reductions and the Electoral Register.

Referrals

21. We look to ensure that employees and contractors follow the various policies, procedures and Codes of Conduct established to protect the public purse, as well as the integrity of officers. Consequently, we may investigate fraud, whistleblowing allegations or theft. Matters can be received as a direct request from management or via the whistleblowing route. Under the Council's Whistleblowing Policy, employees are encouraged to report any genuine, serious concerns about any aspect of the Council's work to the Head of Shared Internal Audit.
22. Since our previous report we have processed eight referrals, and one of these were covered by Whistleblowing policy. This provides assurance that people are aware of their opportunity to refer concerns via the policy. In all cases, if appropriate, actions were agreed with management to improve controls which could mitigate risks of fraud and error.

Other audit and assurance activity

Public Sector Internal Audit Standards

23. The Public Sector Internal Audit Standards (PSIAS) require that Internal Audit develops and maintains a quality assurance and improvement programme that covers all aspects of the Internal Audit activity. External assessments should be conducted every five years by a qualified, independent assessor. In 2018 CIPFA independently verified that we “**Generally Conform**” with the Public Sector Internal Audit Standards (PSIAS) and the accompanying Local Government Application Note (LGAN).
24. New [Global Internal Audit Standards](#) have just been issued following a consultation and review in 2023. It is probable that there will be a refreshed PSIAS to reflect any professional changes. The implementation date for the new standards is likely to take 12-24 months. We will keep up to date with standards revisions so they can be adopted promptly.
25. We completed our annual internal review which provides assurance that we continue to meet the standards. We are preparing for an external review and will consider the best approach based on the emerging guidance.
26. We have been maintaining continuous professional development in the team. A team focus is building upon our existing data analytical skills, and we have been developing our knowledge in Power Query and Power BI.

Governance

27. We have continued to facilitate the review of the Annual Governance Statement, and the Local Code of Governance, which accompanies the Statement of Accounts.
28. In addition, we are developing a back-office system to help maintain and monitor records in the Local Code of Governance. This should support our assurance mapping and provide better assurance when reviewing our compliance with the Code.
29. We have been working with colleagues across the Cambridgeshire County to share best practice on performance management, governance and risk management. This is helping the Cambridgeshire & Peterborough Combined Authority to develop their new Single Assurance Framework, and will assist with partnership working in future.

Risk management

30. We have continued to provide support on the identification of risks and controls. Following the review of our Risk Management Strategy we have been implementing our improvement program. We implemented a new risk management system to introduce improvements to querying and data reporting and have been training users.
31. We measure the volume of risks updated and reviewed in a period. This information demonstrates that the level of engagement has improved significantly over the past 12 months, and we can conclude that risk management is effectively embedded in the Council.
32. We continue to identify opportunities for improvement, and we have prepared a separate report to the Committee report on our progress.

Topical updates

33. It is good practice to coach Members of the Committee on governance risk and control and share useful information. We have included some topical updates in Appendix C.

Conclusion

34. The work carried out by the Internal Audit Team conforms to the Public Sector Internal Audit Standards.
35. A continuous risk-based audit plan is completed, providing assurance. The team also provides added value consulting activities such as providing advice and fraud and error activities.
36. The audit work completed has provided sufficient coverage to enable Internal Audit to form an opinion on the internal control environment, governance and risk management arrangements. There is Reasonable assurance awarded during the year, and this remains at a similar level to the previous report to the Committee.

Appendix B – Glossary of terms

Assurance ratings

Internal Audit provides management and Members with a statement of assurance on each area audited. This is also used by the Head of Shared Internal Audit to form an overall opinion on the control environment operating across the Council, including risk management, control and governance, and this informs the Annual Governance Statement (AGS).

Term	Description
Full Assurance	Controls are in place to ensure the achievement of service objectives and good corporate governance, and to protect the Authority against significant foreseeable risks.
Reasonable Assurance	Controls exist to enable the achievement of service objectives and good corporate governance and mitigate against significant foreseeable risks. However, occasional instances of failure to comply with control process were identified and/or opportunities still exist to mitigate further against potential risks.
Limited Assurance	Controls are in place and to varying degrees are complied with, however, there are gaps in the process which leave the service exposed to risks. Therefore, there is a need to introduce additional controls and/or improve compliance with existing ones, to reduce the risk exposure for the Authority.
No Assurance	Controls are considered to be insufficient, with the absence of at least one critical control mechanism. There is also a need to improve compliance with existing controls, and errors and omissions have been detected. Failure to improve controls leaves the Authority exposed to significant risk, which could lead to major financial loss, embarrassment, or failure to achieve key service objectives.


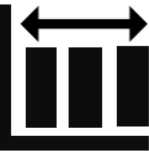


Organisational impact

The overall impact may be reported to help provide some context to the level of residual risk. For example, if no controls have been implemented in a system it would have no assurance, but this may be immaterial to the organisation. Equally a system may be operating effectively and have full assurance, but if a risk materialised it may have a major impact to the organisation.

Term	Description
Major	The risks associated with the system are significant. If the risk materialises it would have a major impact upon the organisation.
Moderate	The risks associated with the system are medium. If the risk materialises it would have a moderate impact upon the organisation.
Minor	The risks associated with the system are low. If the risks materialises it would have a minor impact on the organisation.


Assurance – Direction of Travel

The symbols below indicate the direction of travel when we have concluded a review:

Control status	Symbol	Details and factors
Improvement		<p>Actions have been implemented</p> <p>New controls have been established</p> <p>Risk factors have reduced</p>
Consistent		<p>Controls continue to operate at the same level</p> <p>The risk environment has stayed consistent</p>
Decrease		<p>Controls have reduced, or not been complied with</p> <p>Risks factors have increased, or new risks have emerged</p>
New		<p>This is a new review and we do not have a comparable benchmark.</p>

Appendix C – Topical updates

Below are some topical updates across the sector which members of the Committee could find useful.

Future pandemic and extreme weather among key threats to UK	<p>The BBC reported that a future pandemic and extreme weather caused by climate change are among the key risks facing the UK, according to a new government register.</p> <p>It has been published to help the UK prepare for "worst-case scenarios" of some of the most serious threats. It updates the previous version published in 2020.</p>
OFLOG	<p>The Office for Local Government (Oflog) was launched in July 2023. Their vision is to provide authoritative and accessible data and analysis about the performance of local government, and support its improvement.</p>
Cyber unpacked	 <p>The Local Government Association have published some helpful guides on Cyber Security.</p> <p>Cyber Unpacked is the first module of Unpacking Digitalisation, a series of short explainer videos on digital concepts, created to support officers and councillors who are digital newcomers: https://www.local.gov.uk/our-support/cyber-digital-and-technology/cyber-unpacked</p> <p>Topics include:</p> <ul style="list-style-type: none">• What is cyber security;• What is a network;• What is data
New crackdown on fraud introduced by the Home Office	<p>Central Government highlighted that the new failure to prevent fraud offence will make it easier to prosecute a large organisation if an employee commits fraud for the organisation's benefit. If fraud is committed by an employee of an organisation, the organisation must be able to demonstrate it had reasonable measures in place to deter the offending or risk receiving an unlimited fine. Further guidance on the legislation and reasonable measures will be published later.</p>

National Strategic Assessment 2023 for Serious and Organised Crime

Fraud remains the most common crime type experienced by victims in England and Wales



The National Crime Agency has provided a [picture of the threat to the UK from serious and organised crime](#), focussing on the fraud threat, which remains the most common crime type. Their [article](#) covers the following topics:

- The nature and scale of fraud against individuals, businesses, and the public sector, and how it affects all of UK society.
- The methods and enablers used by criminals to commit fraud, such as social engineering, data breaches, online services, cryptoassets, and money mules.
- The challenges and opportunities for law enforcement and other partners to prevent, detect, and disrupt fraud, and to protect and support victims.
- The actions that the public can take to reduce the risk of being a victim of fraud, or to spot and report suspicious activity.

Some interesting statistics include:

The High Prevalence of Fraud

Fraud is the most common crime type in England and Wales.



Source: Office for National Statistics, Crime Survey England and Wales 2022.

Targeted

40 million
approximate number of individuals targeted by fraud in 2022.

Increased Cost of Living
Inflationary costs have increased the vulnerability of potential fraud victims, as more people look to save and make money.

Cost

£ 2.46 billion
lost by businesses and individuals alone to fraud in the financial year 2021/22.

17%
increase on the Year 2020/2021.

Under-Reporting

86%
of fraud instances are estimated to go unreported.

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Item

RISK MANAGEMENT STRATEGY & FRAMEWORK

To:

Civic Affairs Committee [7th February 2024]

Report by:

Stephanie Fisher, Principal Internal Auditor

Tel: 01223 458184 Email: stephanie.fisher@cambridge.gov.uk

Wards affected:

All

1. Introduction / Executive Summary

- 1.1 This report introduces the revised Risk Management Strategy & Framework for consideration by the Civic Affairs Committee (a combined document in Appendix A).
- 1.2 It is best practice that Committee oversees our Risk Management Strategy & Framework; and the integration of risk management into the governance and decision-making processes, to help provide assurance our Annual Governance Statement is an adequate reflection of our risk environment.
- 1.3 The Committee previously reviewed our Strategy & Framework in September 2021. Internal Audit regularly review the document to professional guidance. It is best practice for the Committee to be aware of significant updates.

2. Recommendations

- 2.1 Civic Affairs Committee is asked to note and comment on the revised Risk Management Strategy & Framework (Appendix A), and agree that Officers can continue to make subsequent minor updates and amendments.

3. Background

- 3.1 The Council has a toolkit to manage risk which comprises:

Risk Management Strategy	This sets out the aims of an effective Risk Management System at the Council.
Risk Management Framework	This sets out the tools and techniques which are used.

- 3.2 The Risk Management Strategy & Framework was previously approved by Civic Affairs in September 2021 with subsequent minor amendments being made, as detailed in the version control summary.

Risk Framework Developments

3.3 We have implemented lots of improvements to our Framework since adopting our previous Strategy. Examples include:

Development	Description
Intranet	We have developed an Intranet Page that contains a suite of risk tools, training, and briefings on topical issues to help managers.
Reporting	<p>We have revised our approach to reporting risk management to our Corporate Management Teams and Leadership Teams. Our revised approach helps coach officers on topical issues and shares knowledge between Strategic and Operational Registers.</p> <p>We regularly benchmark to professional sources of emerging risk. This gap analysis helps provide assurance that our registers contain topical risks.</p>
Performance	We started measuring the level of risk management compliance. A key metric was the volume of risks reviewed in a quarter. Following our engagement, we increased this from 44% to 95% in 2023, providing assurance that risk management is embedded in the organisation.
Professional recognition	We were a finalist in the 2023 ALARM Rising Star category, which recognised the improvements made in the Council. This was a significant achievement as we were competing against much larger Public Sector Organisations.
New system	We migrated over 200 risks onto a new risk management system and configured it to align with our new organizational structure. Our successful project management included training for 70 system users and developing a suite of self-service training videos.

3.4 Following the recent organisational restructure and an upgrade to the risk management system (4Risk) a more detailed review of the Risk Management Strategy & Framework was required to reflect these changes and strengthen risk management activity.

3.5 The following aspects of the Risk Management Strategy & Framework have been updated:

Area Updated	Description
Terminology	All management posts/group names have been updated to reflect the terminology adopted following the Senior Management Review.
Risk Appetite Statement	This has been enhanced, including proposals to adopt risk appetite levels for each risk category.
Risk Escalation	Enhanced guidance is provided on when risks should be escalated from the Project Management system (PM3) to 4Risk or from the Operational to Strategic risk registers.
Risk Categories	We are proposing to introduce multiple category risk scoring.
Inherent Risk Scores	We are proposing to undertake a retrospective exercise to capture the inherent risk score for all risks to improved evaluation over the effective of risk controls
Roles & Responsibilities	these have been updated and enhanced. We plan to establish a Risk Management Group
Partnership & Cross Cutting Risks	We acknowledge the need for intelligent clients to ensure the ownership, monitoring, escalation and assurance of partnership and cross-cutting risks.

3.6 The revised Strategy and Framework aims to support an agile, transformational approach to risk management.

3.7 We also reviewed professional guidance to ensure that any relevant updates since the last review in 2021 were incorporated.

3.8 The Leadership Team have reviewed and commented on the revised version and their comments are reflected in the attached version of the Risk Management Strategy & Framework for your approval.

4. Implications

(a) Financial Implications

None.

(b) Staffing Implications

None.

(c) Equality and Poverty Implications

None.

(d) Net Zero Carbon, Climate Change and Environmental Implications

None.

(e) Procurement Implications

None.

(f) Community Safety Implications

None.

5. Consultation and communication considerations

Not applicable.

6. Background papers

Background papers used in the preparation of this report:

- Risk Management Strategy & Framework – September 2021
- Orange Book - Management of Risk: Principles and Concepts (Revised Feb 2020)
- Risk Appetite Guidance Note (October 2020)
- Association of Local Authority Risk Management (ALARM) toolkit 2021

7. Appendices

- Risk Management Strategy & Framework

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jonathan Tully, Head of Shared Internal Audit Service, tel: 01223 - 458180, email: jonathan.tully@cambridge.gov.uk.



CAMBRIDGE CITY COUNCIL

RISK MANAGEMENT

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Version Control

Version	Date	Updated by	Summary of change
1.0	22/09/2021	Stephanie Fisher	Approved by Civic Affairs Committee
1.1	06/12/2022	Jonathan Tully	Added guidance on scoring risks at residual stage.
1.2	4/1/2024	Stephanie Fisher	<ul style="list-style-type: none"> • Update terminology following the Senior Management Review • The Risk Appetite Statement has been enhanced. • Risk Escalation – Guidance is provided on when risks should be escalated from PM3 to 4Risk or from the Operational to Strategic risk registers. • Introduction of multiple category risk scoring. • Record Inherent Risk Scores for all risks to improved evaluation over the effective of risk controls. • Roles & responsibilities updated and establish a Risk Management Group • Intelligent clients to ensure the ownership, monitoring, escalation and assurance of partnership and cross-cutting risks.

Risk Management Strategy

Introduction

Effective risk management is critical to ensure an organisation maintains its services, progresses towards achieving its strategic aims, and provides assurance it is operating on sound corporate governance principles.

Definition

Risk Management is a key element of the Council's Governance Framework. The objective of the risk management process is to identify, evaluate and control risks and opportunities.

Risks are the possibility that an unwanted or uncertain action or event will cause injury, loss, damage or adversely affect the Council's ability to achieve our objectives.

Opportunities also need to be considered, providing the benefits and rewards outweigh the potential risks.

Aims and Objectives

Our strategic aim is to:

- integrate pragmatic risk management into the Council's culture.
- raise awareness of the need for risk management by all those responsible for managing risk.
- maintain an ability to anticipate and respond to changing social, environmental and legislative changes.

Our Processes

The Risk Management process involves identifying potential risks and opportunities; what might cause them to occur; and what the consequences would be if they happen. The process will identify controls that are currently in place to mitigate the risks and establish what actions can be taken to further reduce the likelihood of the risk arising and/or the impact should it occur. Risk Management is a continual process and as part of this we need to consider learning from previous experiences.

The greater the understanding of the risks that the Authority is exposed to and the causes and consequences of these risks, the more informed future decision making should be.

Our processes, roles and responsibilities, performance and training information are detailed within our Policy Framework.

Governance

Governance is the system by which the Council ensures that it achieves the right outcomes for the citizens of Cambridge in an open and honest way.

The system of internal control is a key part of the Governance Framework and is designed to manage risk to a reasonable level. Internal Audit regularly reviews the system of internal control, providing independent assurance on the adequacy and effectiveness of the controls in place to manage risks. Actions are also agreed with management to improve controls where needed.

Both the Strategy and the Framework will be reviewed regularly to ensure that we maintain best practice and an effective risk management system.

Risk Appetite

The Risk Management Framework is designed to enable officers to identify opportunities and, where possible, minimise threats. Good risk management, informed decision making and understanding of the associated risks, will help maintain the Council’s desired balance of caution and innovation.

Defining our risk appetite provides structure for the management of risks and associated decision making and provides the following benefits:

- Improved understanding and management of risk exposure.
- Improved/informed decision-making.
- Improved consistency in Risk Management/decision-making.
- Better able to direct resources to priorities.
- Improved performance.
- Increased transparency.

The Risk Universe (All Risks)			
Risk Appetite	Risk Tolerance	Risk Capacity	Beyond Capacity
Level of risk we aim to operate within	Level of risk we are willing to operate within	Maximum Level of risk we can operate with	Beyond acceptable risk

Risk Appetite: The level of risk we are prepared to accept in order to achieve our objectives before we need to take action to reduce our risk exposure.

Risk Tolerance: The level of risk which we are willing to accept if our risk appetite is not achieved and cessation of such activity is not an option.

Risk Capacity: The maximum level of risk which the Council is able to take to achieve its objectives, having regard to factors such as legislative and financial constraints.

In determining our risk appetite, the Corporate Management Team will continuously review the nature and extent of the key risks that the Council is exposed to and is willing to take to achieve its objectives. Strategic planning and decision-making will reflect our risk appetite when identifying the systemic challenges to our [Council Vision](#).

The Leadership Team & Executive have agreed the following Risk Appetite Levels and set the risk appetite for each risk category.

Risk Appetite Level Definitions:

Risk Appetite Level	Risk Appetite Level Description	Acceptable Risk Score
Averse	We will reduce the residual risk as far as practically and reasonably possible within the constraints of available resources.	1-5
Minimal	We will accept a low degree of residual risk.	6-10
Cautious	We are willing to accept some degree of residual risk where we have identified scope to achieve significant benefit and/or realise an opportunity.	11-15
Open	We are willing to consider a range of options where we are able to demonstrate a balance between a high level of residual risk and a high likelihood of successful/ beneficial outcomes.	16-20
Hungry	We are eager to be innovative and choose a range of options based on maximising opportunities and beneficial outcomes even if those activities carry a very high level of residual risk.	21-25

Risks can be monitored within 4Risk to ensure that the residual risk score remains within the agreed risk appetite level.

By understanding our risk appetite, resources can be prioritised and allocated where they are most needed to manage the risks to achieving our objectives, whilst maintaining and demonstrating value for money.

We encourage our staff to take an entrepreneurial mindset. We also aim to have an agile culture that enables staff to work in the most effective way to respond to new opportunities and changing needs, and to focus on the outcomes that deliver most value. In light of this, we recognise there may be circumstances where it may be appropriate to accept risks outside of the established risk appetite level. In such circumstances the rationale for proceeding should be fully recorded within the 4Risk system.

Appendix C outlines the Council’s Risk Categories together with Risk Appetite Level definitions for each risk category.

Risk Management Framework

Introduction

Effective risk management is critical to ensure an organisation maintains its services, progresses towards achieving its strategic aims, and provides assurance it is operating on sound corporate governance principles.

The Account and Audit (Amended) Regulations 2015 establishes that a system for managing risk is a key part of an internal control framework.

A public service organisation must identify, analyse and prioritise risks, as well as manage and control risks in a cost-effective manner to maximise the quality and efficiency of its service provision and protect its reputation.

Risk management is about being risk aware and finding ways to do something that best minimises threats and maximises opportunities. The key is to identify what those risks might be and how to accommodate them in our activities. Our Risk Management Policy outlines how this will be undertaken.

Policy Aims

The aims of the Risk Management Framework are to:

- embed a pragmatic risk management culture, reducing bureaucracy and improving efficiency and effectiveness.
- explain how to identify and manage risk.
- provide a formalised, coordinated, and consistent approach to managing risks that is understood by all.
- inform policy, strategic planning, and operational decisions by identifying key risks and their likely impact.
- preserve and enhance the effectiveness of service delivery and achievement of corporate objectives.
- minimise loss, disruption, damage, and injury and reduce the cost of risk, thereby maximising resources.

The Benefits of Good Risk Management



How the Council captures and monitors risks

The Council uses a web-based risk management system (4Risk) to record and manage risks, controls and actions.

Risks and actions are allocated to Owners and/or Assignees and are regularly reviewed and updated.

The system can produce reports and statistics to help Risk/Action Owners monitor and manage their risks and actions.

Management Actions, agreed in Internal Audit reports, are also recorded in the 4Risk system and progress with their implementation is monitored.

The Risk Management Process

There are four critical steps in the process of identifying and managing risk:



(The following guidance focuses on risks captured within the Corporate Risk Management system, 4Risk.)

Step	Details
Identify risks and controls	<p>All officers are responsible for identifying and flagging potential risks within their service/team/project and establishing the Risk Owner for each risk.</p> <p>The Risk Owner is responsible for ensuring the risk is recorded in the appropriate system (4Risk or PM3/MyCompliance etc).</p> <p>Directors are responsible for monitoring their individual group risks whilst the Leadership Team are collectively responsible for identifying and monitoring Strategic Risks.</p> <p>In each case the causes of the risk and the consequences of the risk occurring should be identified and recorded, together with any existing controls in place to mitigate the risk exposure</p>
Analyse and score risks	<p>Risk Owners should analyse and score their risks to assess the likelihood of any risk arising, the potential impact should they occur and whether they fall within the Council's Risk Appetite Level (see Appendix C).</p> <p>Please see Appendix A for the Risk Scoring Matrix and Appendix B for the Impact Matrix by Risk Category.</p>
Identify actions	<p>Actions may be taken to avoid, eliminate, reduce or transfer the risk.</p> <p>Actions will be assigned to an action owner and assignee and have a date for implementation.</p>

	Actions can be identified by managers/risk owners or by Internal Audit as a result of a planned review.
Monitoring, reporting and review	<p>Risks, controls and actions will be monitored on an ongoing basis by the Leadership Team, CMT, Directors, Managers, Risk Owners and Risk Assignees.</p> <p>The Risk Management Group will report separately to the Leadership Team twice per year, and the Corporate Management Team twice per year.</p> <p>Performance statistics will be included in quarterly Performance Management reports to the Leadership Team and Corporate Management Team, included in the Corporate Performance Reports and published on the Risk Management Intranet pages.</p>

Risk management is a continuous process, and risks should be regularly reviewed to monitor changes over time. Updates should be recorded as they occur, but a quarterly review should be completed for each risk and recorded on the 4Risk system as evidence of this review.

The 4Risk system issues email reminders when Risks and Actions require review. Six monthly reports setting out the significant and high scoring risks will also be produced for Directors for review with their Executive Councillor(s).

Risk Categories

Risks can be categorised across a number of different themes and categories. The Leadership Team have identified 18 risk categories. Please see [Appendix C](#) for details of the current risk categories and corresponding Risk Appetite Levels.

Multiple Risk Scoring

We recognise that some risks have more than one associated risk category, and the impact or likelihood score for each risk category may be different.





The impact and likelihood scores for each relevant risk category for any risk can be recorded in our risk management system. Once all risk category scores are recorded, the reported residual risk score is the maximum score (based on the highest scoring risk category). Recording scores for each risk category enables us to easily capture changes in risk category scores and reflect changes in the highest scoring risk category.

We also aim to develop thematic risk registers (e.g., Financial Resilience, Information Governance) to help managers identify their operational risks.

Other Risk Systems

Some risks are also identified and recorded in other risk management systems such as PM3 and MyCompliance. In these circumstances it makes sense to use the same Corporate Scoring Risk Matrix to enable and support the escalation of risks to the corporate Risk Register (4Risk).

Other risk management systems could include:

Environment	System	Purpose
 Project management	PM3	Risks specifically related to the delivery of projects: <ul style="list-style-type: none"> • Risks which affect the day-to-day management of a project. • Risks which affect the successful delivery of a project. • Risks which will affect benefits being realised for a project.
 Business continuity	Excel or Word	To support agile and quick development of risks and controls in an emergency.
 Health and safety	MyCompliance	Health & Safety risks with limited impacts and where the wider, umbrella risks are already reflected in the corporate risk register.
 Thematic development	Excel or Word	Working papers for the development of thematic risk registers – e.g., Financial Resilience or Information Governance. These are typically strategic and cross cutting documents and can be used as reference tools for identifying operational risks.

We also have a Risk Management Template available on our [Risk Management](#) webpages, for the agile identification of risks and to support risk identification workshops.

Risk Management Escalation

The Council maintains separate Strategic and Operational risk registers within 4Risk.

It is best practice for Risk Owners to review risks in relation to delivery of our [Corporate Plan](#) and Strategic Delivery Plans, as this will help them to consider where their risks will be best managed and monitored. Factors to consider include:

Factors	Type of Risk	
	(4Risk) Operational Risk	(4Risk) Strategic Risk
Strategic importance	This is a risk which threatens delivery of your Service or Strategic Delivery Plans.	This is a risk which threatens delivery of our Corporate Plan.
Level of risk	Low level risk, as likely to only be an operational risk (e.g., affects day to day performance management)	High level risk as it is significantly important and will have a major impact if it materialises/becomes an issue.
Stakeholders involved	A risk which is best managed operationally (i.e., a manager can quickly respond to issues arising).	It will require at least one member of the Leadership Team to manage.
Impact	If the risk materialises it will have a local impact (i.e., limited to one team).	If the risk materialises it will have a corporate impact (i.e., will impact multiple teams at the same time).

Operational risks can be escalated to the strategic risk register. Alternatively, Parent and Child risks can be created within 4Risk to enable co-ordination of resources to monitor and manage linked operational and strategic risks.

If a risk score is greater than our risk appetite this would be a good driver for inclusion on the Strategic Risk Register, even if it is just temporary.

Risks captured in other operational systems such as PM3 (Project Management system) Risk Warden (Fire Risk Assessments) and MyCompliance (Health & Safety management system) are generally not duplicated in 4Risk. However, there may be occasions where it is appropriate to escalate significant risks and also record/monitor them in 4Risk.

When to escalate risks onto 4Risk:

- If the risk threatens the delivery of our Corporate Plan.
- If the risk materialises/becomes an issue, it will have a corporate impact (i.e., will impact many teams at the same time).
- It is a cross cutting risk which, affects multiple services and would benefit from corporate oversight.
- Where there is a risk of serious injury, prosecution or significant reputational damage.

Risks identified for escalation to 4Risk should be reported to the Risk Management Group for inclusion on 4Risk.

Roles and Responsibilities

Everyone has a responsibility to manage risks, ensure risks are discussed and record risks in the most appropriate place.

It is vital that everybody understands the role that they play, with every employee and Member of Cambridge City Council being responsible for ensuring effective risk management.

The roles and responsibilities within the Risk Management Process are detailed below:

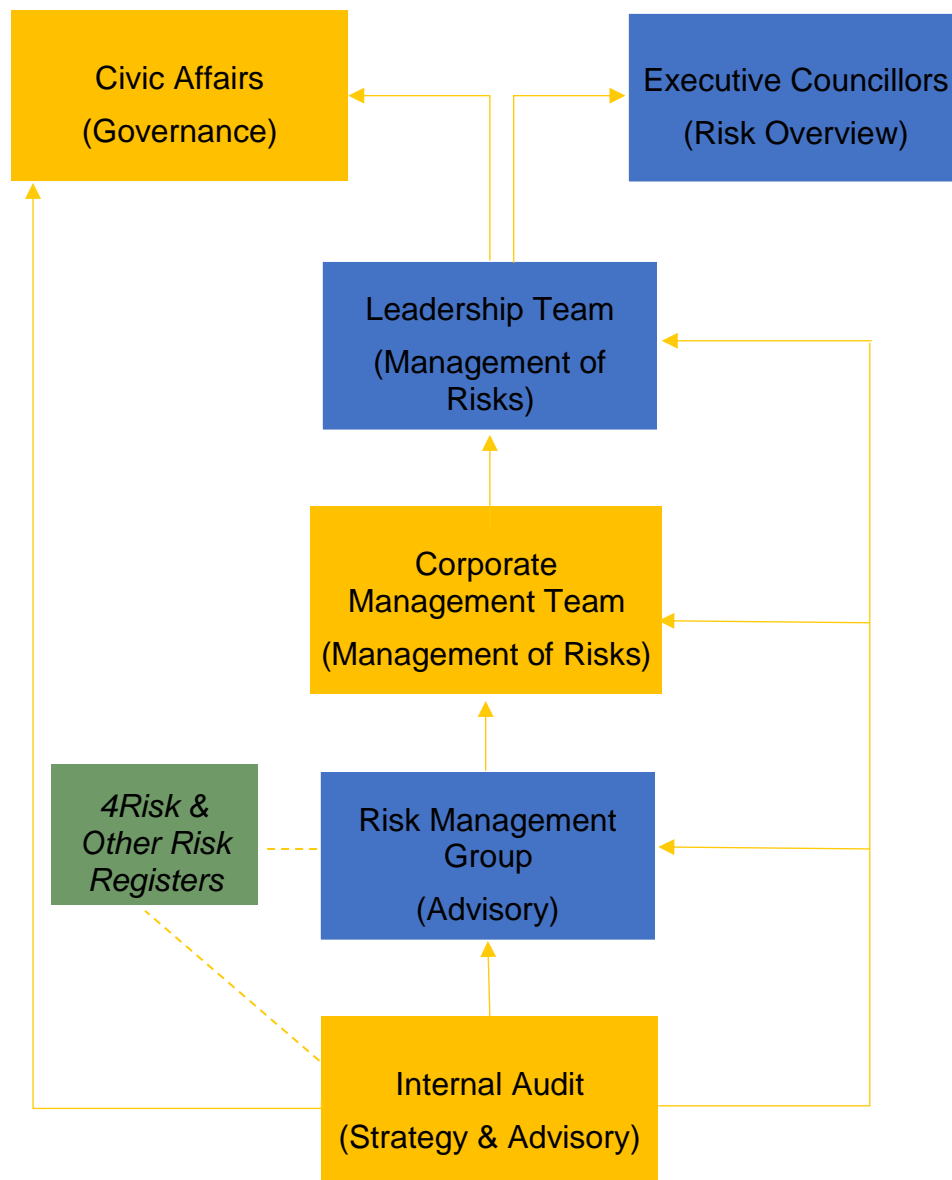
Group or Individual	Roles and Responsibilities
Civic Affairs	Members of Civic Affairs have the role of overseeing the effective management of risk by officers. In effect this means that they will agree the Strategy, Framework and processes put forward by officers.
Executive Councillors	Ensure that risks are considered as part of the Portfolio Planning Process. Review and challenge the risks associated with their portfolios on a quarterly basis with the relevant Director.
Leadership Team	<p>The Leadership Team will approve the Risk Management Strategy & Framework. They will perform quarterly reviews of Strategic and key risks facing the Council and progress with the implementation of overdue and outstanding actions.</p> <p>The Leadership Team are also responsible for:</p> <ul style="list-style-type: none"> • Individually and collaboratively managing and monitoring Strategic Risks to ensure that the register reflects the current strategic risks and opportunities. • Reviewing new, thematic and top operational risks to identify risks which need to be escalated to the Strategic Risk Register. • Sharing the Strategic Risk Register with the Executive as part of the Council's Assurance framework at agreed intervals.
Directors	<p>Directors are responsible for monitoring their individual group risks and reporting to their Executive Councillor on a quarterly basis.</p> <p>They are also responsible for ensuring that all risk owners are reviewing risks in line with the Risk Management Framework.</p>
CMT/Risk Owners	<p>Managers will support the Risk Management Strategy & Framework and related processes.</p> <p>Managers are responsible for:</p> <ul style="list-style-type: none"> • managing risks within their service or associated projects, • ensuring risk management activity and targets for implementing actions are achieved and • updating the risk register in a timely manner. • Reporting risks which fall outside of their risk appetite levels to the Risk Management Group

	<p>Managers will typically be Risk Owners. The system allows risk management to be assigned to a member of their team where this is more practical.</p> <p>CMT will review key operational risks and identify risks which need to be escalated to the strategic risk register.</p>
Risk Management Group	<p>The Risk Management Group comprises Managers and professional leads from across the Council who help identify emerging risks and proportionate controls, as well as identifying risks which need to be escalated to 4Risk or from the Operational to the Strategic risk register.</p>
Internal Audit	<p>Internal Audit is responsible for facilitating the integrated strategy and framework, and processes on behalf of the Council and its Leadership Team. They offer advice, guidance, support and challenge on all aspects of Risk Management as well as providing system support and training on the Risk Management system (4Risk).</p> <p>Internal Audit also provides independent assurance on the effectiveness of controls within the Council to mitigate risks. This helps to quality assure the risk management process. The risk register is used for monitoring progress with implementation of management agreed actions resulting from audit reports.</p> <p>As part of the production and presentation of the annual Head of Internal Audit Opinion to the Civic Affairs committee, Internal Audit comments on the appropriateness of the risk management processes within the Council; as well as identifying areas of limited or no assurance and the associated actions required to improve controls.</p>
Partners	<p>Cambridge City Council works with a wide range of partners in delivering its services. It is important that these partners are brought into the risk management framework. At times it will be appropriate for partnerships / shared services to be established. It is essential that accountabilities are adequately determined, and that Cambridge City Council does not overlook any risks that may arise as a result of collaboration. Even where there is transfer of operational risk, there will undoubtedly be residual risk which remain with the authority. It is not possible to transfer responsibility for the risk management process.</p>

Risk Management Lines of Communication

As highlighted above there are various stakeholders involved in the Risk Management process.

Effective communication helps us to manage risks. The diagram below illustrates the role of each stakeholder group and the lines of communication between them.



The Importance of an Integrated Approach

The Framework detailed above should provide a consistent, integrated top-down meets bottom-up approach to risk management – embedding it into our strategy and operations.

Partner and Cross Cutting Risks

As an authority we are working more collaboratively to deliver services, through external partners or via shared services with other Local Authorities. In such circumstances the risks relating to service delivery may not sit with CCC, however there may be residual risks which we cannot transfer which need to be reflected in our Risk Registers.

The appropriate CCC intelligent clients/Shared Service Boards for these services, such as 3CICT, are responsible for ensuring that risks are recorded in the relevant risk registers (e.g., CCC/SCDC/HDC), and that suitable processes are in place for the escalation of risks and provision of assurance.

Communication and Training

The [Risk Management](#) webpages on our intranet are regularly updated and enhanced. They include:

- reference material
- training and guidance
- intelligence on emerging risks

Internal Audit are also developing a suite of Risk Management training tools to support officers and members. This will include a series of self-serve videos on how to use the 4 Risk system as well as regular Risk Management drop-in sessions, focussing on various elements of the Risk Management process. Information regarding such training will be published on the Risk Management Intranet pages.

Appendices

Appendix A – Risk Scoring

Risk Scoring Matrix

The matrix illustrates where risks sit once their likelihood and impact scores are multiplied. Our risk appetite levels are illustrated on our Risk Scoring Matrix.

Impact	5	5-10 Medium	5-10 Medium	12-15 Significant	16-25 High	16-25 High
	4	1-4 Low	5-10 Medium	12-15 Significant	16-25 High	16-25 High
	3	1-4 Low	5-10 Medium	5-10 Medium	12-15 Significant	12-15 Significant
	2	1-4 Low	1-4 Low	5-10 Medium	5-10 Medium	5-10 Medium
	1	1-4 Low	1-4 Low	1-4 Low	1-4 Low	5-10 Medium
		1	2	3	4	5
Likelihood						

Below is the summary text and guidance included in the 4Risk system for Impact and likelihood scores.

Score	Impact	Description
5	Critical	The consequences of this event occurring could cause the failure of a number of services or result in the Council having its powers removed through government intervention. The level of financial impact is likely to be over £500,000 in any year.
4	Significant disruption &/or damaging	Significant – the consequence of such an event occurring could cause the failure of the service or bring the Council into serious disrepute. The level of financial impact is likely to be up to £500,000 in any year.
3	Noticeable effect	This type of risk event would have a significant impact on a service's ability to provide its full range of activities. The result of this is that the integrity of the service/Council would be called into question by, for example an inspection service. The level of financial impact is likely to be up to £300,000.
2	Limited disruption	These types of events can normally be dealt with through the normal day to day management of the service and internal control mechanisms. The level of financial impact is likely to be up to £50,000 in any year.
1	Virtually no impact	These events may be recognized internally but generally have no external impact and can be resolved quickly. The level of financial impact is likely to be under £5,000 in any year.

Score	Likelihood	Description
5	Dead Cert	In this case the event(s) may have already happened in the recent past. Without controls it will happen again and may even occur despite controls. Projected increase in insurance premiums
4	Probable	The event is more likely to happen than not but there remains some possibility it will not. The chance of occurrence may be around 75%+.
3	Strong possibility	There is an even chance that this event may occur. (A probability would be around one in two, (50%)).
2	Some possibility	These events are not likely to occur but there remains some possibility it will. (A probability of a one in ten chance of this event occurring (10%)).
1	Little chance	These events will only occur in exceptional circumstances. (A probability of less than one in fifty (2%).

Risks can be assessed and scored at three stages:

- The **inherent risk** is what could happen before any mitigating controls are used - *the worst-case scenario*.
- The **residual risk** is what could happen after our controls have been implemented - *where we are today*.
- The **target risk** is what we could achieve if we implement further actions - *where we could be in the future*.

We score risks on the 4Risk system at the **residual risk** stage - *where we are today*. This helps us to understand what our greatest risks are, and how to prioritise resources best.

We are also planning to introduce inherent risk scoring. A retrospect exercise to capture inherent risk score for all existing risks will be undertaken and all new risks will be required to provide inherent and current scores. The provision of inherent risk scores will enable us to evaluate the effectiveness of existing controls to mitigate risks.

Appendix B - Impact Matrix by Risk Category

Scoring risks consistently is important, as it helps us to prioritise our resources where it is most valued.

It can be challenging to consistently score the impacts of risks across the Council and Partners, as we can have different risk appetites. For example, not all teams have the same budget.

We tend to score risks according to how easy it is to measure their impact. It can be easy to quantify risks from their financial impact but considering other factors can more difficult. This can make it difficult to score risks consistently.

We have developed this matrix to help you consider the impact of a risk materialising across our various categories.

Bear in mind that sometimes risks can be cross cutting and fit into more than one category. In such scenarios we would suggest choosing the category where there is the greatest impact.

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Financial	Failure to effectively manage the Council's assets and finances including budget monitoring, financial priorities, medium/long term planning, fraud prevention.	The level of financial impact is likely to be under £5,000 in any year.	The level of financial impact is likely to be up to £50,000 in any year.	The level of financial impact is likely to be up to £300,000.	The level of financial impact is likely to be up to £500,000 in any year.	The level of financial impact is likely to be over £500,000 in any year.

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Reputation	Damage to Council's reputation through adverse media coverage.	No reputational damage. Coverage in media which is not typically frequent.	Limited coverage in social media and local media. Short term reduction in public confidence. Elements of public expectation not being met.	Brief coverage in the national media. Sustained coverage in the local media. Longer term reduction in public confidence.	Coverage in the national media.	Repeated and extensive coverage in the national media. Commentary from MP in Parliament. Total loss of public confidence.
Health & Safety	Failure to manage health and safety effectively leading to a prosecution under the Corporate Manslaughter Act or other health and safety legislation.	Physical No injury/claims.	Minor injury/claims (first aid treatment).	Violence or threat or serious injury/claims (medical treatment required).	Extensive multiple injuries/claims. HSE inspection.	Loss of life. HSE inspection.
Major Projects	Failure to adequately manage and control major CCC projects.	Insignificant cost increase Schedule slippage	<5 percent over project budget	5 – 10 percent over project budget	10 - 25 per cent over project budget	>25 percent over project budget

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Change Management	Ineffective management of change, inadequate capacity and knowledge.	Ad hoc officer resistance. Insufficient resources (time/officers) resulting in minor slippage on planned implementation timescales.	Minor levels of resistance. Insufficient resources (time/officers) resulting in minor slippage on planned implementation timescales.	Lack of awareness or desire to support the change at officer level. Noticeable levels of resistance. Insufficient resources (time/officers) resulting in noticeable slippage on planned implementation timescales.	Lack of awareness or desire to support corporate change amongst Corporate Management Team. Significant levels of resistance. Insufficient resources (time/officers) resulting in significant slippage on planned implementation timescales.	Lack of awareness or desire to support corporate change at strategic level (Leadership Team/Members). High levels of resistance. Insufficient resources (time/officers) resulting in major slippage on planned implementation timescales.

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
IT & Technology	Failure to properly manage IT, data and the Council's website.	Out of date links on Council's website Ad-hoc access issues for individual users.	IT issues which impact individuals for an extended period or a small group of users, for a short period, but does not cause disruption to customer service.	Outages due to hardware/software failures affecting larger number of users within a service impacting on customer service/service operations.	Frequent outages due to hardware/software failures causing significant disruption to multiple service operations.	Major IT outages due to failure or Hardware causing major disruption to service delivery. Software no longer supported by suppliers.
Business Continuity	Failure to adequately plan and manage processes for unforeseen events (Civil Emergency Plan, Business Continuity Plans, IT failure)	Insignificant disruption on internal business – no loss of customer service. Less than 1 hour.	Some disruption on internal business only – no loss of customer service. Interruption of half a day.	Noticeable disruption to Council – would affect customers (loss of service no more than 48 hours).	Major disruption to the Council – serious damage to organisation's ability to service customers (loss of service for more than 48 hours but less than seven days).	Loss of service delivery for more than seven days.

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Recruitment & Retention	Failure to recruit and retain adequate number of suitable staff leading to key person dependency and loss of capacity building opportunities.	<p>Insignificant impact on service operation as a result of staff turnover.</p> <p>Occasional use of temporary staff</p> <p>Occasional vacant posts for a brief period</p>	<p>Minor disruption to internal operations due to staff leaving/training new members of staff.</p> <p>Frequent use of temporary staff</p> <p>Frequent vacant posts for a short period</p>	<p>Significant number of staff leaving the council resulting in minor disruption to service delivery.</p> <p>Inability to recruit experienced permanent employees.</p> <p>Reliance on temporary workers to fill vacant posts.</p>	<p>Significant number of staff leaving the council resulting in major disruption to service delivery.</p> <p>Inability to recruit experienced permanent employees.</p> <p>Reliance on significant levels of temporary staff in individual service areas.</p>	<p>Unable to maintain service delivery due to high volumes of staff leaving the council/inability to recruit in a timely manner.</p> <p>Unable to attract suitable staff (permanent/temporary)</p>
Legislation	Failure to ensure compliance with legislation.	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 5 notice, Section 151 or government intervention or criminal charges.

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Partnerships	Failure to adequately manage and control partnerships working and joint agency activity and key contractor relationships.	Minor partnership friction	Some delay to projects	Project over-run against time and cost budgets, need for greater investment of senior officer time	Projects and initiatives not delivered; reputational damage and loss of trust impacting on future funding and partnership proposals	Irreconcilable breakdown in partnerships with loss of facility for joint working + reputational damage
Equalities / Social Exclusion	Failure to manage equalities/social exclusion (including duties for specific vulnerable groups).	Minor impact – queries able to be resolved	Risk of delay to initiatives and/or diversion of resources to resolve issues	Extended delays to projects and initiatives to ensure equalities considerations properly addressed	Adverse impacts for people with protected characteristics; risk of challenge; reputational damage	Legal challenge over legal compliance; significant reputational impact

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Political	Ineffective political leadership, policy development and community leadership; member support.	Objectives still achieved with minimum extra cost or inconvenience	Partial achievement of objectives with compensating action taken or reallocation of resources.	Additional costs required and or time delays to achieve objectives – adverse impact on PIs and targets.	Unable to achieve corporate objectives or statutory obligations resulting in significant visible impact on service provision such as closure of facilities.	Unable to achieve corporate objectives and/or corporate obligations
Officer/Member Relationships	Ineffective officer/member working relationships.	Queries easily resolved	Queries and issues take longer to resolve	Policies and projects delayed due to additional queries and challenge	Difficulty in setting budgets or approving major policies: Significant diversion of officer and member time spent on issue; may require external (e.g., peer support)	Complete breakdown in officer/member relations – potential need for external intervention; major reputational damage

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Planning & Leadership	Opportunity to maintain and continue to improve Council efficiency through clear strategic focus, planning and leadership.	Minor queries, easily resolved	Potential misunderstanding of priorities, minor delay / disruption to activities and initiatives	Some priorities delayed or not delivered due to insufficient clarity, planning or leadership	Financial and service objectives not met, with impacts for stakeholders and potential for unplanned financial consequences	Failure to deliver major service objectives; customer and stakeholder dissatisfaction; serious financial consequences.
Governance *	Inappropriate internal governance.	Minor weaknesses in governance risk and control identified. Management can easily and quickly rectify and implement improvements.	Independent and external assurance reporting identifies moderate weaknesses in governance risk and control.	Independent and external assurance reporting identifies major weaknesses in governance risk and control. Reporting in the Annual Governance statement required.	External inspection conducted under section 10 of the Local Government Act 1999. Reporting in the Annual Governance statement required.	Intervention and appointment of external parties / Commissioners to take over key functions in relation to governance and operations. Reporting in the Annual Governance statement required.

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Procurement & Contract Management	Failure to ensure effective procurement and contract management arrangements.	Limited resource, excessive demand for support	Lack of market visibility, unaware of innovations that may impact suitability of tender. Unaware of national trends in supply chain	Lack of contract management post award	Failing to follow procurement procedures and legislation	Lack of planning by stakeholder services Legislative changes or national requirement Supplier financially or operationally fails
Physical Property & Assets	Failure to properly manage property and other assets, to prevent damage, loss or theft.	Minor damage or loss to physical fabric that does not prevent ongoing use	Minor damage or loss to physical fabric that does not prevent ongoing use but disruption due to alternative arrangements or during repairs.	Damage or loss to physical structure that prevents ongoing use pending repair	Significant damage or loss to physical structure that prevents ongoing use for extended period pending substantial repair.	Catastrophic damage or loss to physical structure requiring full closure and alternative premises for ongoing operation
Environmental	Failure to properly identify/manage environmental impact.	Minimal or no impact on the environment.	Minor impact on the environment.	Moderate impact on environment.	Major impact on environment.	Catastrophic impact on environment.

Risk Category	Risk Description	Virtually No/Minimal Impact	Limited Disruption	Noticeable Effect	Significant Disruption & / or Damaging	Critical
	Score	1	2	3	4	5
Performance and Objectives	Ineffective performance monitoring arrangements.	Minimal impact on performance	Underperformance not detected or reported early, opportunity to mitigate may be missed	Underperformance not reported resulting in inefficiency, cost, delay and poor service	Major impact on performance requiring costly intervention to recover; reputational damage and impact on officer-member trust	Total absence or failure of performance management resulting in service failure, complaints, reputational and relational damage, potential need for external intervention

Appendix C – Risk Categories & Risk Appetite Matrix

Risk categories should be used by managers to identify and analyse strategic and operational risks. The categories highlight common areas/sources of risk within the Authority and should be used as a prompt to ensure all areas are considered.

Risk Appetite Matrix

The risk appetite matrix details the risk appetite level definitions for each risk category.

The Leadership Team are responsible for setting and reviewing the Councils risk appetite, using the Risk Appetite Matrix to determine the risk appetite for each risk category. These risk appetite levels will be made available to officers on the Council’s Risk Management intranet pages.

Risk Category	Description	Risk Appetite Level Definition (Risk Score)				
		Averse (1-5)	Minimal (6-10)	Cautious (11-15)	Open (16-20)	Hungry (21-25)
Financial	Failure to effectively manage the Council's assets and finances including budget monitoring, financial priorities, medium/long term planning, fraud prevention.	Avoidance of any financial impact or loss, is a key objective.	Only prepared to accept the possibility of very limited financial impact if essential to delivery.	Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels	Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place).
Reputation	Damage to Council's reputation through adverse media coverage.	Zero appetite for any decisions with high chance of repercussion for organisations' reputation.	Appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation	Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the organisation.	Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.	Appetite to take decisions which are likely to bring additional Governmental / organisational scrutiny only where potential benefits outweigh risks

Risk Category	Description	Risk Appetite Level Definition (Risk Score)				
		Averse (1-5)	Minimal (6-10)	Cautious (11-15)	Open (16-20)	Hungry (21-25)
Health & Safety	Failure to manage health and safety effectively leading to a prosecution under the Corporate Manslaughter Act or other health and safety legislation.	No appetite for any risk resulting in regulatory non-compliance	Avoid any risks where there is a risk of regulatory non-compliance unless it is unavoidable.	Accept the possibility of limited regulatory challenge providing others have already successfully defended such challenges.	Accept the possibility of regulatory challenge where we are confident we can justify our actions and the potential benefits outweigh the risks.	Willing to risk regulatory intervention where benefits outweigh the risks and improve outcomes for stakeholders.
Major Projects	Failure to adequately manage and control major CCC projects.	aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards.	Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.	Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control. Plans aligned with organisational governance.
Change Management	Ineffective management of change, inadequate capacity and knowledge.	Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards.	Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.	Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control. Plans aligned with organisational governance.

Risk Category	Description	Risk Appetite Level Definition (Risk Score)				
		Averse (1-5)	Minimal (6-10)	Cautious (11-15)	Open (16-20)	Hungry (21-25)
IT & Technology	Failure to properly manage IT, data and the Council's website.	General avoidance of systems / technology developments.	Only essential systems / technology developments to protect current operations.	Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	New technologies viewed as a key enabler of operational delivery. Agile principles are embraced.
Business Continuity	Failure to adequately plan and manage processes for unforeseen events (Civil Emergency Plan, Business Continuity Plans, IT failure)	No appetite for decisions which may result in additional scrutiny or attention to the Council.	Limited to those decisions/events where the impact has no chance of any significant repercussions.	Willing to take limited risks where appropriate controls are in place to limit the impact.	Willing to accept some reputational risk where there is potential for improved benefits/outcomes for stakeholders.	Willing to accept risk which will bring scrutiny, new ideas and innovation where the benefits outweigh the risks.
Recruitment & Retention	Failure to recruit and retain adequate number of suitable staff leading to key person dependency and loss of capacity building opportunities.	Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only	Decision making authority held by senior management. Development investment generally in standard practices.	Seek safe and standard people policy. Decision making authority generally held by senior management.	Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control.
Legislation	Failure to ensure compliance with legislation.	Play safe and avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge.	Want to be reasonably sure we would win any challenge.	Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact.	Chances of losing are high but exceptional benefits could be realised.

Risk Category	Description	Risk Appetite Level Definition (Risk Score)				
		Averse (1-5)	Minimal (6-10)	Cautious (11-15)	Open (16-20)	Hungry (21-25)
Partnerships	Failure to adequately manage and control partnerships working and joint agency activity and key contractor relationships.	No appetite for any additional scrutiny/attention on the organisation as a result of partnership risks.	Appetite is limited to those events/opportunities where there is no chance of any significant repercussions.	Appetite is limited to those risks where appropriate controls are in place to minimise risk.	Willing to take limited risks where there will be improved outcomes for stakeholders.	Willing to accept the possibility of scrutiny where the benefits outweigh the risks or promotes new ideas/innovation.
Equalities/ Social Exclusion	Failure to manage equalities/social exclusion (including duties for specific vulnerable groups).	No appetite for any risks which disadvantage/exclude any specific group.	Will avoid any decision which may unfairly benefit/disadvantage any specific group.	Prepared to accept the possibility of limited inequality.	Prepared to accept some challenge, providing the decision can be justified	Prepared to take risks where the decision can be justified and the potential benefits outweigh the risks.
Political	Ineffective political leadership, policy development and community leadership; member support.	No appetite for risks where decisions may affect officer neutrality	Avoid taking any risks which may affect officer neutrality unless unavoidable	Prepared to take limited risks where similar actions elsewhere have already been successful.	Prepared to take risks where appropriate and deliver improved outcomes	Prepared to take risks where it can be justified and the potential benefits outweigh the risks.
Officer/ Member Relationships	Ineffective officer/member working relationships.	No appetite for risks where decisions will have an adverse impact of relationships	Avoid taking any risks which will have a negative impact on relationships unless unavoidable	Prepared to take limited risks where similar actions elsewhere have already been successful.	Prepared to take risks where appropriate and deliver improved outcomes	Prepared to take risks where it can be justified and the potential benefits outweigh the risks.

Risk Category	Description	Risk Appetite Level Definition (Risk Score)				
		Averse (1-5)	Minimal (6-10)	Cautious (11-15)	Open (16-20)	Hungry (21-25)
Planning & Leadership	Opportunity to maintain and continue to improve Council efficiency through clear strategic focus, planning and leadership.	Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 5+ year intervals	Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 4-5 year intervals	Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 3-4 year intervals	Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2-3 year intervals	Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 1-2 year intervals
Governance	Inappropriate internal governance.	Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of fraud, with significant levels of resource focused on detection and prevention	Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise fraud prevention, detection and deterrence through robust controls and sanctions.	Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. Controls enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions.	Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. Levels of fraud controls are varied to reflect scale of risks with costs.	Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. Levels of fraud controls are varied to reflect scale of risk with costs.

Risk Category	Description	Risk Appetite Level Definition (Risk Score)				
		Averse (1-5)	Minimal (6-10)	Cautious (11-15)	Open (16-20)	Hungry (21-25)
Procurement & Contract Management	Failure to ensure effective procurement and contract management arrangements.	Zero appetite for untested commercial agreements. Priority for close management controls and oversight with limited devolved authority.	Appetite for risk taking limited to low scale procurement activity. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
Physical Property & Assets	Failure to properly manage property and other assets, to prevent damage, loss or theft.	Obligation to comply with strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Recommendation to follow strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Requirement to adopt a range of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money	Consider benefits of agreed solutions for purchase, rental, disposal, construction, and refurbishment that meeting organisational requirements	Application of dynamic solutions for purchase, rental, disposal, construction, and refurbishment that ensures meeting organisational requirements
Climate Change	Failure to meet Council's climate change commitments.	No appetite for risks/decisions which may not have a positive impact on the environment	Avoid taking any risks which may not have a positive impact on environment unless unavoidable	Appetite is limited to those risks where appropriate controls are in place to minimise risk.	Prepared to take risks where appropriate and deliver improved outcomes	Prepared to take risks where it can be justified and the potential benefits outweigh the risks.

Appendix D - Glossary

Key Terms

These are the key terms that a Risk Manager needs to understand to fulfil their daily risk management responsibilities.

Term	Description
Action	Something in addition to the existing controls which needs to be carried out to mitigate a risk. Once implemented actions may become controls.
Analysing Risk	The evaluation of risk with regard to the severity if the risk is realised, and the likelihood of the risk being realised.
Cause	What will cause the risk to occur.
Consequence	What the consequence will be should the risk occur.
Control	Existing checks / processes in place to mitigate a risk.
Strategic Risk	Potential risks that may prevent the organisation achieving its aims and Medium-Term Objectives.
Impact (Severity)	The probable effect on the Organisation / Service if the risk occurs (scored from 1 – 5).
Likelihood	The probability or chance of the risk occurring (scored from 1 – 5).
Operational (Service) Risk	Potential risks that managers and officers encounter during their business planning and day-to-day service delivery
Risk	Risk is the uncertainty of outcome, whether a positive opportunity or a negative threat, of action and events. It is the combination of likelihood and severity.
Risk Management	All the processes involved in identifying, analysing and profiling risks, assigning ownership, taking actions to mitigate or anticipate theme and monitoring and reviewing progress.
Risk Score	The exposure arising from a specific risk after controls have been put in place to manage it and assuming that the control is effective. The score is calculated by multiplying likelihood by severity with controls in place.

Glossary of Specialist Terms

These are more detailed risk definitions and terms used by Risk Management Team and specialists.

Term	Description
Opportunity Risk	Most risk management standards and guidelines recognise the upside of risk. However, many people find the concept of opportunity risk management difficult to grasp, due to the negative associations of risk.
Threat Risk	Organisations should proactively manage opportunity risk. If only threat risks are managed, the best outcome expected is to meet the promised objectives but never to improve on them. The value of identifying opportunity risk and threat risk is that the Council can take a strategic approach to tackling the risk.
Risk Appetite	Level of risk we aim to operate within
Risk Tolerance	Level of risk we are willing to operate within
Risk Capacity	Maximum Level of risk we can operate with
Risk Universe	All of the risks that we document and are managed
Black swan event	An event that comes as a surprise, has a major effect, and is often inappropriately rationalized after the fact with the benefit of hindsight
Grey swan event	A potentially significant event that is considered unlikely to happen but still possible. Examples include climate change, population growth, and rising debt.
White swan event	An event with a high certainty and easily estimated impact.
Grey rhino	A highly probable event with a great deal of impact which is dismissed or overlooked because it is not taken seriously enough in the short term. A totally predictable grey rhino might be building new homes on a flood plain with one-in-a-hundred-year mitigation measures put in place.
Polycrisis	Where current/future global risks interact, resulting in compounding impacts which exceed the sum of the individual risks. Examples include the pandemic, Ukraine war, and resulting impacts such as supply chain, inflation, housing refugees.
Permacerisis	Permacerisis remains a new and evolving concept but can be defined as “an extended period of acute uncertainty and instability, including a portfolio of different but interrelated, potentially existential, crises (e.g., political, economic or social). These are unlikely to have definitive permanent solutions – rather they need eventually to be assimilated within mainstream public policy planning and management. 'Permacerisis', when examined through a public policy and placemaking perspective, represents an extended stretch of chaos and instability, which often require permanent modifications rather than distinct solutions.

Appendix E - Risk Management Standards, Legislation & Guidance

These are some of the documents that we use to ensure our Framework stays up to date:

- ALARM (Association of Local Authority Risk Management) Risk Management Toolkit 2021
- ISO 31000:2018 Risk Management Guidance
- HM Treasury - Orange Book 2020
- Risk Appetite Guidance Note
- Civil Contingencies Act 2004
- APP National Decision Model
- APP Risk
- Delivering Good Governance in Local Government 2016
- BS 31100:2011 Risk Management British Standard Code of Practice

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PAY POLICY CHANGES AND DRAFT PAY POLICY STATEMENT 2024/2025

To:

Civic Affairs Committee [07/02/2024]

Report by:

Lynsey Fulcher, Head of People

Tel: 07592 384229 Email: lynsey.fulcher@cambridge.gov.uk

Wards affected:

All

1. Introduction / Executive Summary

- 1.1 In 2015, the Secretary of State for Communities and Local Government issued the Local Government Transparency Code 2015. The code sets out the key principles in making local authorities more transparent and accountable to local people. The Council has been, and continues to be, proactive in its compliance with this and the following report provides detail on the Council's pay practices to satisfy the requirements of the code.
- 1.2 Under the Localism Act 2011, Local Authorities are required to prepare a Pay Policy Statement for each financial year. These statements must articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees.
- 1.3 Attached at Appendix 1, this policy statement must be approved by a resolution of the authority, i.e., full Council, and is required to be published by 31 March.
- 1.4 The pay policy statement outlines the Council's approach to pay and reward for all staff, separating out Chief Officers where necessary to satisfy the requirements of the Localism Act. For Cambridge City Council, the definition of Chief Officer includes the grades of Chief Executive, Director and Assistant Director.
- 1.5 In line with the annual review of the pay policy statement, the HR team have reviewed the additional elements of pay that are outlined in the pay policy and have

developed some pay and policy recommendations for Civic Affairs to consider. The changes proposed are outlined below, and the pay policy statement has been updated to reflect these recommendations.

- 1.6 Section 6 of this report provides a recommendation in a change to the delegation as considered by Employment (Senior Officer) Committee in November 2023.
- 1.7 Additionally, this report updates Civic Affairs Committee on the uplifts applied to City Council pay scales in line with national pay awards.

2. Recommendations

The Civic Affairs Committee is asked to consider the changes and recommendations proposed to pay approaches as outlined in this report, specifically;

- a. The recommendation that all Director and Assistant Director roles are evaluated using the HAY Job Evaluation methodology.
- b. The introduction of an Additional Responsibility Allowance to recompense colleagues for taking on additional responsibility above and beyond their current role.
- c. The increase of the Cambridge Weighting rate from £11.00 per hour to £12.50 per hour.
- d. The inclusion of apprentices into the Real Living Wage and Cambridge Weighting pay, meaning that no apprentice with Cambridge City Council will earn less than £12.50 per hour on 1 April 2024.
- e. The recommendation that the Investors in People accreditation is not renewed in November 2024.
- f. The change in delegation for fixed term non-leadership team Director level roles and to recommend to Council to amend the Constitution in accordance with paragraph 6.3 of this report.
- g. Review and recommend to Council the draft Pay Policy Statement 2024/2025 attached as Appendix 1.
- h. Note the implementation of the nationally negotiated pay awards.

3. Changes to Pay Approaches

3.1 Additional Responsibility Allowance

- 3.1.1 It is proposed that an additional mechanism for rewarding colleagues who take on work above and beyond their current role is introduced in the form of an Additional Responsibility Allowance. Whilst employees are already often rewarded for additional work undertaken, the mechanism currently used is the honorarium

scheme which is better suited for one-off payments to recognise exceptional work or achievements.

3.2 Cambridge Weighting

- 3.2.1 The Council pays a Cambridge Weighting to employees on City Council terms and conditions of employment and related agency workers earning less than the approved rate per hour. The weighting is paid in addition to salary and the Real Living Wage supplement.
- 3.2.2 The Real Living Wage Foundation rate of pay increased in November 2023 to £12.00 per hour, higher than the Council's existing Cambridge Weighting rate of £11.00 per hour. It is proposed that the Cambridge Weighting allowance is increased to £12.50 per hour from 1st April 2024.
- 3.2.3 There are currently 31 employees that would see an increase to pay if the Cambridge Weighting rate was increased to £12.50 per hour on 1st April 2024.

3.3 Apprenticeship Pay

- 3.3.1 The Council's current approach to Apprenticeships is that externally appointed apprentices are offered a fixed term contract for the duration of their apprenticeship, with the need for them to apply to and be successful in securing a permanent role at the end of the fixed term contract.
- 3.3.2 Externally appointed apprentices are paid on apprenticeship level pay, which is below the Real Living Wage and Cambridge Weighting rate that the Council commit to paying to all staff (The Council's lowest paid apprenticeship is paid £9.50 per hour. The current real living wage foundation rate is £12.00 per hour).
- 3.3.3 It is proposed that a new pay approach for apprentices is introduced, making appointment to permanent roles a default and only using fixed term contracts in exceptional circumstances where there is genuinely no established post in the hierarchy.
- 3.3.4 Additionally, it is proposed that the pay for externally appointed apprentices is uplifted to a minimum of the Real Living Wage and Cambridge Weighting rate, or higher depending on the grading for the associated role.
- 3.3.5 It is expected that this change will increase the attractiveness of apprenticeship opportunities with Cambridge City Council and will help the Council take a longer-term view of growing and developing staff into roles.
- 3.3.6 The impact and cost of this change is not significant – of the current 21 apprentices within the Council, only eight are on fixed term contracts and of these only five are paid on apprenticeship rates of pay. Using current apprenticeship data, the current financial cost of this proposal would be no more than £25k per annum.
- 3.3.7 Section 15 of the pay policy statement in Appendix 1 refers to this change.

4. National Pay Awards

- 4.1 Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Officers and the National Joint Council for Local Government Services (NJC) for staff on Bands 1-11.
- 4.2 Pay awards for all groups were agreed with effect from April 2023, and paid in line with delegated authority.
- 4.3 The national pay negotiations with effect from April 2024 have not yet concluded.

5. Investors in People Accreditation

- 5.1 The Councils Investors in People (IiP) accreditation is due for reassessment in November 2024. The full reassessment process takes place every three years with an annual interim review. The cost of the accreditation is in the region of £12,500.
- 5.2 Whilst the accreditation is nationally recognised, there is no evidence to demonstrate that this is viewed favourably by applicants, and many organisations are looking at alternative charter marks or accreditations. Other local Councils have also chosen not to seek reaccreditation.
- 5.3 The biggest benefit gained from the accreditation is the staff survey that forms part of the assessment process, however survey questions are aligned with the IiP standards and not to the Councils internal priorities or aspirations.
- 5.4 The Leadership team have discussed IiP accreditation, and support a recommendation that the Cambridge City Council do not seek reaccreditation. Instead, it is proposed that an external research company is engaged to develop and run an all-employee survey, tailored specifically to the Council. This will align to the People Strategy and will help benchmark the less tangible elements of cultural change aspired to within the strategy.
- 5.5 The Councils recognised trade unions have been consulted on this proposal and have no objections.

6. Change in Delegation

- 6.1 The Employment (Senior Officer) Committee have considered a proposal to clarify a point in the Councils Constitution regarding the responsibility for recruitment to fixed term non-Leadership Team Director level roles.
- 6.2 The Employment (Senior Officer) Committee agreed that a proposal should be taken forward to clarify the position in the Constitution that recruitment to temporary fixed term non-Leadership Team roles could be delegated to the Head of Paid Service. The Chair of the Employment (Senior Officer) Committee should be informed in advance of any recruitment commencing, and the Employment (Senior Officer) Committee informed of the appointment through the decision notification process.

- 6.3 If agreed by Civic Affairs, it is recommended that Council approves amendments to the Constitution to include the following wording under Part 4i – Officer Employment Procedure Rules:

Appointment to fixed term Director roles that do not form part of the Councils Leadership Team is the responsibility of the Head of Paid Service or their nominee. The Executive Notification process will be undertaken for these roles.

7. Implications

a) Financial Implications

The Council has made provision in the Medium-Term Financial Strategy for the pay increases for 2024/2025.

Any immediate costs associated with the recommendations above will be met from Group budgets.

b) Staffing Implications

This report relates to the pay and terms and conditions of staff.

c) Equality and Poverty Implications

An equality impact assessment has not been undertaken for this report.

Equality information by grade is reported annually to the Equalities Panel and is available on the Council's website.

Equality impact assessments will be undertaken on any policies that change as a result of these proposals.

d) Net Zero Carbon, Climate Change and Environmental Implications

The proposals in this report have no climate change impact.

e) Procurement Implications

The Living Wage Policy as it relates to contractors is included in the Pay Policy Statement.

f) Community Safety Implications

This report relates to the pay, terms and conditions of staff and does not impact directly on community safety matters.

8. Consultation and communication considerations

The Chief Executive and the Council's Leadership have been consulted on this report and changes to the attached draft Pay Policy Statement.

The Leader of the Council, Executive Councillor for Finance, Resources and Transformation and trade unions, Unison and GMB have been consulted on the proposed changes to the Pay Policy Statement and other recommendations outlined within this report.

This pay policy statement once approved by Full Council will be published on the Council's website.

9. Background papers

Background papers used in the preparation of this report:

- Pay Policy Statement 2022/23
- City Council Pay scales

10. Appendices

Draft Pay Policy Statement

11. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Lynsey Fulcher, Head of People, Tel: 07592 384229, email: lynsey.fulcher@cambridge.gov.uk.

APPENDIX ONE: PAY POLICY STATEMENT 2024/25

Effective from 1st April 2024

1. Introduction

Cambridge City Council is committed to operating consistent, transparent and equitable pay arrangements.

This statement details the pay policy and approaches applied to all staff within Cambridge City Pay bands in addition to all Statutory and Non-Statutory Chief Officers, as defined under the Council's constitution, to fulfil the Council's statutory requirements under Chapter 8 of the Localism Act 2011 ("the Act")

This pay policy statement was updated and agreed by Full Council in March 2024.

2. Senior Salaries from 1st April 2023

The salary scales for the Chief Executive, Directors and Assistant Directors following the nationally agreed pay award with effect from 1 April 2023 are shown below.

Progression through the pay grade (a three or four-point scale) is subject to a range of criteria that are assessed via an annual performance review.

Pay Grade	Point 1 (£)	Point 2 (£)	Point 3 (£)	Point 4 (£)
Chief Executive	131,735	137,012	142,330	147,609
Director	101,790	105,576	109,368	113,161
Assistant Director 2	89,217	91,894	94,651	n/a
Assistant Director 1	81,556	84,095	86,618	n/a

The Council has an agreement that senior officer pay scales will be reviewed every three years in line with the current market median level pay, this includes Chief Executive, Director and Assistant Director pay grades. The last review was undertaken in 2023 whereby a full redesign of the grades took place. The effectiveness of these scales will continue to be reviewed annually.

3. Annual Pay Awards

For the Chief Executive pay grade, pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives. For Directors and Assistant Director grades, the Joint Negotiating Committee (JNC) for Chief Officers is applied, and the National Joint Council (NJC) determines the pay awards for City Pay Grades 1 – 11.

Pay points within the grades are subject to nationally negotiated pay awards with effect from 1 April 2024 and will increase in line with any nationally agreed award.

4. Chief Officer Terms and Conditions of Employment

The terms and conditions of employment for the Chief Executive, Directors and Assistant Directors within the scope of this pay policy statement are determined in accordance with collective agreements, negotiated from time to time, by the JNC for Chief Executives and the JNC for Chief Officers, as set out in the Scheme of Conditions of Service. These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

5. Chief Officer Remuneration on Appointment

Rules governing the recruitment of the Chief Executive, Directors and Assistant Directors are set out in the council's constitution in section; Part 4i, Officer Employment Procedure Rules.

Recruitment to the posts of Chief Executive and Director is undertaken by a committee of Councillors appointed by Council. In the case of the Chief Executive, the appointment is made by Full Council, following a recommendation from the Employment (Senior Officer) Committee.

Appointment to fixed term Director roles that do not form part of the Leadership Team is the responsibility of the Head of Paid Service or their nominee.

Recruitment to posts of Assistant Director will be undertaken by the Chief Executive or a Director. The salary on recruitment will be within the salary range for these posts at that time.

6. Market Supplements

There are occasions when the salary determined by the grading for a post result in an inability to successfully recruit to or retain staff in particular posts or specific occupational areas due to fluctuations in the labour market supply. This is more challenging in the Cambridge area due to the high demand for labour, the high number of vacancies and high cost of housing.

These recruitment and retention problems can affect ability to deliver services. In such cases it may be appropriate to pay a market supplement in addition to the salary where there is evidence to justify that market factors are the "material reason" for the post attracting a higher rate of pay than other posts graded similarly. Any additional market supplement will be made in accordance with the Market Pay Policy.

7. Retention Payments

There may be occasions when due to recruitment and retention difficulties within a specific service area or role, it may be more appropriate to use a recruitment and retention package approach than a market supplement. Such an approach offers a fixed lump sum payment for new appointments or to the staff in identified roles at a given date.

The payment is tied to a defined retention period and must be repaid in full if the person leaves the employment of the Council within the designated period. The aim of this approach is to recruit new staff and retain existing staff where there is evidence of both types of difficulty and a market supplement approach is assessed as less effective.

8. Bonuses

There are no bonus arrangements payable to our Chief Officers or any Council staff.

9. Performance Related Pay

Performance and progression through the pay band is assessed annually for all staff in line with the Council's performance review schemes.

The performance review for Directors is undertaken by the Chief Executive and for the Chief Executive by the Leader and an independent advisor. Performance reviews for all other Officers are undertaken by their line manager.

10. Senior Salary Pay Data

In accordance with the Government's Code of Recommended Practice for Local Authorities on Data Transparency, the Council publishes information on all employees earning £50,000 or above.

Following approval at Full Council of the Draft Pay Policy Statement this updated pay policy statement is published on the Council's website.

11. Expenses

The expenses which may be payable to all Officers, including the Chief Executive, Director and Assistant Directors include:

- car/bicycle/motorcycle allowances at HMRC rates
- re-imbursment of travel and subsistence
- one professional subscription per annum
- payments under the eye-sight tests scheme
- relocation assistance in accordance with the Relocation Scheme

12. Severance Payments

Severance payments are made in accordance with the council's employment policies and are the same for all staff.

Employees with more than two years' service will be entitled to redundancy pay in line with local government guidelines and statutory provisions.

Redundant employees may receive the following elements in their final pay:

- Normal pay up to the agreed leaving date
- Where applicable, payment in lieu of outstanding notice
- Severance payment (where entitled).

Under the council's redundancy scheme a weeks pay will be calculated on the basis of actual weekly pay. Cambridge City Council will not apply the statutory weeks pay definition.

Once an employee is in receipt of early payment of pension benefits, if their total pay and pension benefits together (if reemployed by another employer covered by the Local Government Modification order) exceeds their salary as at the leaving date, the difference may be claimed back from pension payments.

An employee will lose their entitlement to redundancy pay if they take up a post with another body covered by the Redundancy Payments (Local Government) (Modification) (Amendment) Orders within 4 weeks of the date of the redundancy and the offer of the new job has been made before the end of the original contract.

Any proposals with a salary or severance package with a total value over £100k will be reported by the Employment (Senior Officer) Committee to Full Council for decision.

The Chief Executive, Monitoring Officer and Chief Finance Officer can only be dismissed by the Full Council. All other Directors and Assistant Directors can only be dismissed in accordance with the Councils constitution, Part 4i, Officer Employment Procedure Rules.

13. Pension and Pension Enhancements

All employees are entitled to and receive pension contributions under the Local Government Pension Scheme (LGPS). This is a contributory scheme and employees currently contribute between 5.50% and 12.50% of their pensionable pay to the scheme. Chief Officers contributions currently range from 9.90% to 12.50%

The Council's discretions on enhancement of pension are set out in the Pensions Discretion Statement 2022. This policy was approved by the Civic Affairs Committee on 21 September 2022. The policy is reviewed every 3 years and/or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council).

The next review of the Pensions Discretion Statement is scheduled for 2025.

14. Lowest Paid Staff: Real Living Wage & Cambridge Weighting

The lowest paid staff within the Council's pay structure are on Band 1. The lowest pay point is £22,366 (£11.59 per hour) (April 2023). Cambridge City Council is an accredited Real Living Wage employer and also pays a Cambridge Weighting supplement. This means that the current minimum pay level for staff is £12.00 per hour. This will increase to a minimum of £12.50 per hour from 1 April 2024.

The terms and conditions of employment for Band 1 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly

known as the Green Book). These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

14.1 Real Living Wage

The Council is accredited with the Living Wage Foundation which means it has adopted a Real Living Wage policy for staff, agency workers and contractors engaged through the Council's Procurement processes.

The implementation date for Real Living Wage increase is usually November for staff engaged on city council terms and conditions of employment, following the annual announcement. With effect from November 2023 the Real Living Wage increased to £12.00 per hour.

The Council will pay the Real Living Wage rate for staff engaged on city council pay rates by way of a supplement to pay rates.

The Council will pay the minimum of the relevant Real Living Wage rate to agency workers after 4 weeks of their engagement with the City Council.

The Council will require contractors engaged through the Council's procurement processes to pay at least the Real Living Wage to all their staff who work on the Council's premises (or land maintained by the Council) for two or more hours on any day of the week for eight or more consecutive weeks. The only contracts that will be excluded from the requirement to pay the Real Living Wage are:

- contracts where it would be unlawful to require the payment of the Real Living Wage
- contracts where, following evaluation, it is considered inappropriate to impose the requirement.

14.2 Cambridge Weighting

The Council pays a Cambridge Weighting to employees on city council terms and conditions of employment and related agency workers earning less than the approved rate per hour. The weighting is paid in addition to salary and the Real Living Wage supplement. With effect from 1 April 2024 the rate is £12.50 per hour.

For agency workers the weighting applies in addition to current hourly rates and the Real Living Wage arrangements. The weighting is variable, depending upon the current hourly rate and the Real Living Wage supplement payable at that time.

15. Apprentices

Apprentices are appointed on permanent contracts of employment within Cambridge City Council unless there is a justifiable reason why there is a requirement for a fixed term post.

Apprentices are paid on a salary proportionate to the role that they have been employed to undertake, or the recognised Real Living Wage/Cambridge Weighting rate of pay, whichever is the highest.

The Council also offer apprenticeships to current employees who are paid in accordance with their existing pay arrangements during the apprenticeship.

16. Pay Ratios

The table below shows a number of pay ratios. The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff. The highest paid officer of the council is the Chief Executive. The highest pay point on this scale is currently £147,609 (April 2023).

	Annual Salary	Ratio to Chief Executive highest pay point	Explanation
Real Living Wage Rate of £12.00 (Nov 2023)	£23,151	1:5.7	Chief Executive's salary and 2023/4 Real Living Wage rate.
Lowest council pay scale point (£11.59)	£22,366	1:5.9	Chief Executive's salary and lowest council pay scale point
2024/25 Cambridge Weighting rate of £12.50	£24,110	1:5.5	Chief Executive's salary and £12.50 Cambridge Weighting
Median Average salary	£37,366	1:3.5	Chief Executive's salary and current median average salary

17. Election Fees

The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. Elections fees are paid for these additional duties and they are paid separately to salary.

The role of Chief Executive is the council's Returning Officer.

The fees for Parliamentary, Police & Crime Commissioner, Euro Elections and national referenda are set by the Government. The fees for County Council elections are set by the County Council. The fees for the Combined Authority Mayoral election are set by the Combined Authority. The fees for Parliamentary and European Elections are pensionable.

Fees for district elections are set locally (mindful of neighbour district council fees) and were last reviewed in April 2010 as £373 per contested ward and £55 per uncontested ward. Fees for district elections are pensionable.

Other officers, including senior officers within the scope of this policy, may receive additional payment for specific election duties.

18. Tax Avoidance and IR35

The Council takes tax avoidance seriously and will seek to appoint individuals to vacant positions using the recruitment procedures on the basis of contracts of employment and apply direct tax and National Insurance deductions from pay through the operation of PAYE.

Where consultants are recruited, the Council will seek to avoid contractual arrangements which could be perceived as being primarily designed to reduce significantly the rate of tax paid by that person, such as paying the individual through a company effectively, controlled by him or her.

These principles will be embedded in contract clauses and guidance for managers when employing consultants.

In addition, workers employed directly by the Council will be assessed to establish whether they fall within scope of the IR35 legislation using the HMRC employment status tool. Workers that fall within scope will have Income Tax and National Insurance contributions deducted and paid over to HMRC.

19. Re-engagement of ex City Council staff

All permanent or fixed term posts are advertised in accordance with the council's recruitment policies and appointment is made on merit.

Interim management appointments are made in accordance with the council's procurement policies and the provisions for contract for services.

The council will not engage an ex-city council member of staff within the scope of this policy outside of these arrangements.

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UPDATE TO CITY COUNCIL'S FLAG PROTOCOL

To:

Civic Affairs Committee 07/02/2024

Report by:

ANDREW LIMB, Assistant Chief Executive

Tel: 01223 - 457004

Email: Andrew.Limb@cambridge.gov.uk

Wards affected:

All

1. Introduction / Executive Summary

This report proposes updating the list of flags that will be flown at the Guildhall, to reflect requests for additional flags that have been made in recent years. The current protocol was agreed by Civic Affairs Committee in 2019. Since then a small number of flags have been requested to be flown, either through a motion to Council or by the Executive Councillor for Communities. This report simply proposes bringing the formally adopted protocol up to date with those changes.

2. Recommendations

That the Committee agree:

(a) to adopt the revised list of flags to be flown over the Guildhall at Appendix A; and

(b) that from time to time additional flags may be flown in special circumstances, where they are consistent with the Council's vision,

objectives and obligations, through agreement of the Leader and Chief Executive at the time.

3. Background

- 3.1 The Council adopted a Flag Protocol to provide clarity and certainty over which flags would be flown, and to reduce the amount of senior officer and member time spent dealing with ad hoc requests. The Council's protocol incorporates the nationally prescribed list and flags that the Council itself has chosen to fly.
- 3.2 Since its adoption, changes to the national list have been made each year to reflect deaths and other changes. Locally, councillors have requested additional flags be flown to commemorate additional events, specifically the Romani flag and Progress Pride flags (including the latter for Pride month in June). These flags have been flown, and this report simply updates the Flag Protocol to reflect these additions.
- 3.3 It is possible that the list of flags to be flown may change again in the future, or that it may be appropriate to fly additional flags to commemorate particular causes or events. It is recommended that Committee agree that this should only be in exceptional circumstances, and should be agreed in each instance by the Leader and Chief Executive at the appropriate time, taking account of fit with the Council's policies, values, objectives and obligations.
- 3.4 In addition to flying flags in accordance with this protocol, the Council has a range of other ways of marking significant dates, campaigns and causes, including illuminating the Guildhall, use of social media and other promotional channels.

4. Implications

a) Financial Implications

There are no immediate financial implications of this report or recommendation. The Council periodically buys new flags to replace damaged or worn ones. It is generally possible to buy flags for around £20.

b) Staffing Implications

Raising flags is carried out by members of the Facilities Team. Having an up-to-date protocol gives clarity to members of that team and allows them, members of the corporate communications team and others to be clear on which flags the Council intends to fly so that they can plan ahead and make appropriate preparations.

c) Equality and Poverty Implications

Updating the protocol in this way reflects explicit commitments made in the 'Trans Rights are Human Rights' motion of 22nd October 2020 on flag flying, and the commitment in the 'Policing Bill' motion to "Stand in solidarity with Traveller and Gypsy communities in Cambridge and continue to build trust and good relations with them."

d) Net Zero Carbon, Climate Change and Environmental Implications

Nil.

e) Procurement Implications

Minimal – flags can be bought without a formal procurement exercise.

f) Community Safety Implications

Nil.

5. Consultation and communication considerations

It is recommended that the Flag Protocol be published on the Council's website. For those flags on the protocol that the City Council has chosen to fly in support of its policies and values, the Corporate Communications Team will publicise this through the Council's media channels.

6. Background papers

Background papers used in the preparation of this report:

[Report to Civic Affairs, 9th October 2019](#)

[Government guidance on Union Flag flying](#)

[Trans rights are human rights: Council motion - Cambridge City Council](#)

[Councillor Healy: Motion on Policing Bill - Cambridge Council](#)

7. Appendices

Revised list of flags to be flown Appendix A

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Andrew Limb, Assistant Chief Executive, tel: 01223 - 457004, email: andrew.limb@cambridge.gov.uk.

Flag Flying (Union Flag unless specified, and takes precedence / the superior position where more than one flag indicated for a given period)

9 January	Birthday of the Princess of Wales
20 January	Birthday of the Countess of Wessex
1 February	LGBTQ+ History Month - Progress Pride Flag - For month of February except on days when Union flag is to be flown
10 March	Birthday of Earl of Wessex
March	Commonwealth Day (2nd Monday)
31 March	International Trans Day of Visibility - Progress Pride Flag
9 April	His Majesty's wedding day
23 April	St George's Day – Flag of St George
6 May	Coronation Day
9 May	Europe Day - Where the European flag is flown on this day, the Union Flag should fly alongside the European flag and, on UK government buildings that only have one flagpole, the Union Flag should be in the superior position.
June	Gypsy, Roman and Traveller History Month (Romani flag) For month of June except on days when Union flag / Armed Forces flag is to be flown
June	Pride month – Progress Pride flag to be flown for month of June except on days when Union flag / Armed Forces flag is to be flown
17 June	Official Birthday of His Majesty the King
21 June	Birthday of the Prince of Wales
23-30 June	Armed Forces Week – Armed Forces Flag
17 July	Birthday of the Queen Consort
15 August	Birthday of the Princess Royal
8 September	His Majesty's Accession
21 October	Trafalgar Day
24 October	United Nations Day- UN flag on this day
November	Remembrance Day (2 nd Sunday) - Flags should be flown at full mast all day.
14 November	Birthday of His Majesty the King
20 November	International Trans Day of Remembrance – Progress Pride flag
10 December	UN Human Rights Day- Flag for Human Rights

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CAMBRIDGE CITY COUNCIL

Officer Urgent Decision - Record

Powers of the Chief Executive, Cambridge City Council-delegation

Decision(s) taken:	To delegate the direct powers and duties of the Chief Executive/Head of Paid Service as set out in the Council's Constitution to Jane Wilson from 15 November 2023 to 19 January 2024, when the Chief Executive is planning to take leave, including a period of unpaid parental leave.
Decision of:	Chief Executive
Date of decision:	26 October 2023
Matter for Decision:	It is important that the city council can continue to function in the temporary absence of its Chief Executive and that the correct authority is in place to permit another officer of the Council to carry out the full duties of the Chief Executive for the absence period.
Any alternative options considered and rejected:	N/A
Reason(s) for the decision including any background papers considered:	An urgent decision under paragraph 2 of section 9, Council Procedure Rules was chosen as the most appropriate means for making this decision. The Chief Executive consulted the Leader of the Council, the Chair and spokespersons of the Civic Affairs Committee and Opposition Group Leaders prior to confirming the decision.
Conflicts of interest and dispensations granted by the Chief Executive:	None.
Other Comments:	<p>The Articles of the Council's Constitution and the Council's scheme of delegation to officers set out specific references where decision making power, authority or responsibility rests with the post of Chief Executive. For the avoidance of doubt, this decision confirms that whilst the Chief Executive is absent and until their return, officer Jane Wilson is acting Chief Executive of Cambridge City Council.</p> <p>The Monitoring Officer had been consulted on the proposal prior to implementation and supported it.</p> <p>The Leader of the Council, opposition Group Leaders, the Chair and spokespersons of the Civic Affairs Committee were all consulted and supported the proposed decision.</p>
Reference:	2023/OfficerUrgent/SR/01
Contact for further information:	Robert Pollock, Chief Executive, 01223 457001 robert.pollock@cambridge.gov.uk

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Cambridge City Council Record of Officer Delegated Decision

To Implement the Joint Negotiating Committee for Chief Executives of Local Authorities Pay Award for 2023-24.

Decision taken: 02 November 2023

Decision of: Head of People

Reference: Delegation of Civic Affairs Committee

Date of decision: 02 November 2023

Matter for Decision: Decision delegated from Civic Affairs Committee

Any alternative options considered and rejected: The pay award for chief executive level posts is determined by national level collective bargaining between the National Employers and Trade Unions. Once agreed at a national level the City Council implements the pay award in accordance with the terms outlined in employment contracts.

Reason for the decision including any background papers considered: To implement the nationally agreed pay award for chief executives following receipt of notification by circular from the Joint Negotiating Committee for Chief Executives of Local Authorities dated 01 November 2023. The award is for an increase of 3.5% on each pay point and is backdated to 1 April 2023.

Conflict of interest and dispensation granted by Chief Executive: The Head of People is exercising this delegation, the Chief Executive has a personal interest. The matter is delegated to the Head of People.

Comments: This decision is taken in accordance with the delegated authority from Civic Affairs Committee to the Head of People, as follows:

To implement any award of a joint negotiating body so far as it concerns rates of salary, wages, car allowances or other allowances payable to officers and other employees of the Council except where the terms thereof involve the exercise of a discretion by the Council provided that when any action is taken in pursuance of this paragraph members are advised by the Head of People and a record of that advice be made available to the public.

Contact for further information: Lynsey Fulcher, Head of People

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Cambridge City Council Record of Officer Urgent Decision

To Implement the National Joint Council Local Government Services Pay Agreement 2023

Decision taken: To implement the National Joint Council for Local Government Services (NJC) Pay Award for 2023-24 for employees on Bands 1-11.

Decision of: Chief Operating Officer

Reference: Delegation of Civic Affairs Committee

Date of decision: 02 November 2023

Matter for Decision: Decision delegated from Civic Affairs Committee

Any alternative options considered and rejected: The pay award for staff on City pay bands 1-11 is determined by national level collective bargaining between the National Employers and Trade Unions. Once agreed at a national level the City Council implements the pay award in accordance with the terms outlined in employment contracts.

Reason for the decision including any background papers considered: To implement the nationally agreed pay award for staff on City bands 1-11 following receipt of notification by circular from the National Joint Council for local government services (NJC) dated 01 November 2023. The award is for a flat rate of £1,925 on each pay point from 1 - 43, and an increase of 3.88% for scale points 44 – 56. The award is backdated to April 2023.

Conflict of interest and dispensation granted by Chief Operating Officer: The Chief Operating Officer is exercising this decision as the Head of People has a personal interest in this pay award.

Comments: This decision is taken in accordance with the delegated authority from Civic Affairs Committee to the Chief Operating Officer, as follows:

To implement any award of a joint negotiating body so far as it concerns rates of salary, wages, car allowances or other allowances payable to officers and other employees of the Council except where the terms thereof involve the exercise of a discretion by the Council provided that when any action is taken in pursuance of this paragraph members are advised by the Head of People and a record of that advice be made available to the public.

Contact for further information: Lynsey Fulcher, Head of People

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