

A meeting of **HUNTINGDONSHIRE DISTRICT COUNCIL** will be held in the **CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **WEDNESDAY, 13 NOVEMBER 2013** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

## **A G E N D A**

	<b>Time Allocation</b>
<b>PRAYER</b>	<b>2 minutes</b>
The Venerable Hugh McCurdy, Archdeacon of Huntingdon and Wisbech will open the meeting with prayer.	
<b>APOLOGIES</b>	<b>2 minutes</b>
<b>CHAIRMAN'S ANNOUNCEMENTS</b>	<b>10 minutes</b>
<b>1. MINUTES</b> (Pages 1 - 12)	<b>2 minutes</b>
To approve as a correct record the Minutes of the meeting held on 25 September 2013.	
<b>2. MEMBERS' INTERESTS</b>	<b>2 minutes</b>
To receive from Members declarations as to disclosable pecuniary, non-disclosable pecuniary or non-pecuniary interests in relation to any Agenda item. See Notes below.	
<b>3. PETITION - SHELTERED HOUSING SCHEME AT LANGLEY COURT AND LANGLEY CLOSE, ST IVES</b>	<b>15 minutes (minimum)</b>
Ms T Johnson will present a petition on behalf of 52 signatories concerning the potential closure of the Sheltered Housing Scheme at Langley Court and Langley Close, St Ives.	

The petition statement is as follows:-

"This petition relates to a statutory function of the Council in that the District Council is ultimately responsible for housing.

We are a group of over 50 elderly people who live in this Sheltered Housing Scheme at Langley Court and Langley Close in St Ives. We have Assured Tenancy Agreements and the Scheme is administered by the Luminus Group based at Brook House in Huntingdon.

We are petitioning the District Council to ask for your help in our campaign to prevent the Luminus Group (our landlords) from demolishing our homes in order to build an extra-care facility on the site.

On July 22nd of this year we the residents were invited to a meeting in the communal lounge to hear "some exciting news about the future of Langley Court and Langley Close". The meeting was well attended. We were indeed excited (new bathrooms perhaps?). Imagine our shock and horror when we

were told that Luminus intended to demolish the building in order to replace it with an extra-care facility, that our building was old (Langley Close was built in 1978 and Langley Court was added in 1990) and that 95% of the ageing population lived in the community and only 5% were in assisted housing. So we didn't count? We were informed that this was a Government initiative propelled by the need to get elderly long-term patients out of hospital.

While we understand and support the need for such care we cannot see the sense of destroying the homes of one lot of elderly people in order to build to provide for a different set of elderly people in the future. The common sense solution would be to have both - keeping the sheltered housing and building the extra-care facility on another site, we understand that there are other suitable sites available within the county.

We are all friends and neighbours who value the safety and security in which we live as well as the lively community of which we are a part. We wish to stay where we are, where we have lived for many years and where we have put down roots. We do not wish to be hustled off to who knows where as we have come to rely on each other for support and help which is not always available elsewhere.

For all their assurance, Luminus cannot provide like for like as they can only provide places as they become available and we will be separated from our friends, families, neighbours and some will be even sent to different towns within the county.

We have all been under great stress since the announcement. Elderly people are easily frightened and this whole affair has been and still is like a sword hanging over our heads. Many will agree to go because they cannot cope with the uncertainty.

So we are begging you to use whatever influence you may have and your humanitarian instincts to save us from this fearful infringement of our human rights."

- |   |                   |
|---|-------------------|
| <b>4. HEADLINE DEBATE</b>   | <b>60 minutes</b> |
| <p>With the assistance of the Head of Customer Services and the Housing Needs and Resources Manager, Councillor M G Baker, Leader of the Principal Opposition Group, will lead the headline debate on the impact of recent welfare reform on Huntingdonshire residents.</p> |                   |
| <b>5. SCRAP METAL DEALERS ACT 2013</b> (Pages 13 - 20)  | <b>5 minutes</b>  |
| <p>Councillor R B Howe, Executive Councillor for Healthy and Active Communities to present a report regarding changes to the arrangements for regulating scrap metal dealers. A report by the Head of Environmental and Community Health Services is enclosed.</p>          |                   |
| <b>6. REPORTS OF THE CABINET, PANELS AND COMMITTEE</b>  | <b>30 minutes</b> |
| <p>(a) Cabinet (Pages 21 - 24)</p>  |                   |

- (b) Overview & Scrutiny Panel (Economic Well-Being) (Pages 25 - 28)
- (c) Overview & Scrutiny Panel (Environmental Well-Being) (Pages 29 - 32)
- (d) Overview & Scrutiny Panel (Social Well-Being)  
Report of the meetings held on 1st October and 5th November 2013 - to follow.
- (e) Development Management Panel (Pages 33 - 34)
- (f) Licensing & Protection Panel (Pages 35 - 36)
- (g) Licensing Committee (Pages 37 - 38)
- (h) Corporate Governance Panel (Pages 39 - 84)
  - (i) Report of the meeting held on 26th September 2013 - enclosed.
  - (ii) The Annual Report by the Chairman is enclosed for the Council's information (Appendix C).
  - (iii) A copy of the Annual Governance Statement has been circulated separately with the Agenda.

**7. MOTION ON NOTICE**

**10 minutes**

Councillor K J Churchill to move -

"(a) that the Council notes:

- that residents of the Sheltered Housing Scheme at Langley Court and Langley Close, St Ives, Cambridgeshire may be faced with possession proceedings to be issued by their landlord, Luminus;
- that the nature of the said redevelopment of the site would be the provision of extra-care type housing designed for elderly people with a range of dependencies (for which substantial Government support is available) but for which only a small number of the current residents may qualify when the new facility is completed. The remainder would

be rehoused at various locations through the District;

- that the current dwellings are structurally sound and some of the residents have expended substantial amounts of their own monies in improving their homes over time. Many have been resident there for a number of years and there is a strong community among them;
- that Huntingdonshire District Council has already given its support to develop extra-care housing in St Ives.

(b) the Council considers:

- that it is not in the best interests of the residents, both individually and collectively, for them to be subjected to the trauma of being uprooted and settled at varying locations throughout Cambridgeshire; and

(c) that this Council calls upon the Cabinet to:

- withdraw any support, financial or otherwise, from Luminus that would in any way cause or contribute to the breakup of this sustainable retirement community; and
- explore every possible alternative to provide the extra-care facility that will be required in the future."

**8. ORAL QUESTIONS**

**30 minutes**

In accordance with the Council Procedure Rules (Section 8.3) of the Council's Constitution, to receive oral questions from Members of the Council

**9. REPRESENTATION OF POLITICAL GROUPS ON DISTRICT COUNCIL PANELS, ETC**

**5 minutes**

A report by the Head of Legal and Democratic Services reviewing the representation of groups on Panels, etc - to follow.

**10. VARIATION TO THE MEMBERSHIP OF COMMITTEES AND PANELS, ETC**

**5 minutes**

The Deputy Executive Leader, Councillor N J Guyatt to report, if necessary.

Dated this 5 day of November 2013



Head of Paid Service

## **Notes**

### **1. Disclosable Pecuniary Interests**

- (1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*
- (2) *A Member has a disclosable pecuniary interest if it -*
  - (a) *relates to you, or*
  - (b) *is an interest of -*
    - (i) *your spouse or civil partner; or*
    - (ii) *a person with whom you are living as husband and wife; or*
    - (iii) *a person with whom you are living as if you were civil partners*

*and you are aware that the other person has the interest.*
- (3) *Disclosable pecuniary interests includes -*
  - (a) *any employment or profession carried out for profit or gain;*
  - (b) *any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*
  - (c) *any current contracts with the Council;*
  - (d) *any beneficial interest in land/property within the Council's area;*
  - (e) *any licence for a month or longer to occupy land in the Council's area;*
  - (f) *any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or*
  - (g) *a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.*

### **Other Interests**

- (4) *If a Member has a non-disclosable pecuniary interest or a non-pecuniary interest then you are required to declare that interest, but may remain to discuss and vote.*
- (5) *A Member has a non-disclosable pecuniary interest or a non-pecuniary interest where -*
  - (a) *a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or*
  - (b) *it relates to or is likely to affect any of the descriptions referred to above, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association*

*and that interest is not a disclosable pecuniary interest.*

### **2. Filming, Photography and Recording at Council Meetings**

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wish to be filmed. The Chairman of the meeting will facilitate this preference by ensuring that any such request not to be recorded is respected.

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# Agenda Item 1

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the COUNCIL held in the Civic Suite, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Wednesday, 25 September 2013.

PRESENT: Councillor Mrs B E Boddington – Chairman.

Councillors J D Ablewhite, M G Baker,  
K M Baker, Mrs M Banerjee, I C Bates,  
G J Bull, E R Butler, S Cawley,  
B S Chapman, K J Churchill, I J Curtis,  
J W Davies, D B Dew, Mrs L A Duffy,  
R S Farrer, R Fuller, D A Giles, J A Gray,  
S Greenall, N J Guyatt, A Hansard,  
G J Harlock, R Harrison, D Harty, R B Howe,  
Mrs P A Jordan, P Kadewere, Ms L Kadic,  
S M Van De Kerkhove, Mrs P J Longford,  
A J Mackender-Lawrence, P G Mitchell,  
J P Morris, M C Oliver, J W G Pethard,  
P D Reeve, Mrs D C Reynolds, T V Rogers,  
T D Sanderson, M F Shellens, R G Tuplin,  
D M Tysoe, R J West and A H Williams.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors S Akthar, P L E Bucknell, R C Carter, S J Criswell, C R Hyams and P K Ursell.

### 26. PRAYER

The Reverend A Milton, Team Rector for the Huntingdon Ministry opened the meeting with prayer.

### 27. CHAIRMAN'S ANNOUNCEMENTS

#### (a) Leisure Awards

The Chairman was pleased to report that One Leisure had been nominated in three national award categories for the Members' Choice Health Club Awards 2013 in recognition of the high standard of the facilities available in the District and the quality of One Leisure staff. The Council also congratulated Ms J Sargeant, Fitness Consultant & Personal Trainer at One Leisure on being awarded a People Award.

#### (b) Events

During her report on the various activities she had undertaken since the last meeting in June, the Chairman highlighted, in particular, the ceremony held on 17th August 2013 to mark the granting of the Freedom of Huntingdonshire to RAF Wyton and World War 2 veterans. The Chairman conveyed to the Council the sentiments expressed in two letters received from Wing Commander M Brown, Commanding Officer, RAF Wyton and Colonel D Bristow, Deputy Lord Lieutenant for Cambridgeshire which thanked the District Council for the

support given to the Armed Forces and their endeavours to preserve traditions and to enhance partnerships between civilians and service personnel.

The Chairman also reported on her plans for the autumn referring notably to the Civic Carol Service to be held at St Mary's Church, Huntingdon on 4th December 2013.

**28. MINUTES**

The Minutes of the meeting of the Council held on 26th June 2013 were approved as a correct record and signed by the Chairman.

**29. MEMBERS' INTERESTS**

No interests were received from the Members present.

**30. STATE OF THE DISTRICT 2013**

The Chairman reminded Members of the decision by the Council to suspend Council Procedure Rule 11 (Rules of Debate) to enable headline debates and 'Green Paper' proposals to be discussed by Members in an open manner. The Council, therefore,

**RESOLVED**

that Council Procedure Rule 11 (Rules of Debate) be suspended for the duration of the discussion under Minute No 30 during which time the common law rules of debate be observed by Members and applied by the Chairman.

The Chairman invited the Executive Leader and Deputy Executive Leader, Councillors J D Ablewhite and N J Guyatt respectively to address the Council on the State of the District 2013 and to open the debate which was scheduled to follow. A copy of the address delivered by the Executive Leader is appended in the Minute Book.

Councillor Guyatt then drew Members' attention to the other major challenges faced by the Council in terms of planning for housing and economic growth if the District was to remain prosperous and a good place to live and work. He referred to the growing population, the job opportunities available in Huntingdonshire and Cambridge and the need to provide places to live for families and young people such that they may continue to live close to their workplace and family home. He was, however, mindful of the need to balance housing growth with the impact on the environment and impressed upon the Council the importance of the new Local Plan and proposed site allocation exercise so that it was clearly the Local Planning Authority and not the Planning Inspectorate who would decide where growth would occur. Councillor Guyatt acknowledged that housing growth would require additional investment in local infrastructure and he reported that a transport plan for Cambridgeshire and Peterborough was currently in preparation to identify where new transport links and other infrastructure provision was required. He expressed confidence that, ultimately, the infrastructure improvement required across the County would be provided but suggested that this could occur over several years.



Councillor R J West opened the Council debate by referring to transport provision and by questioning the contribution made by bus companies to the growth agenda locally. In his view, the bus companies had not appeared to be proactive in meeting the needs of customers as for example in scheduling services to meet train arrival/departure times. In response, Councillor Guyatt was of the view that the bus companies had a major role to play in providing transport locally in the future and, subject to the determination of the application for development at Alconbury Weald, referred to proposals to extend both the guided bus and rail into the development. However, Councillor Guyatt confirmed that, at some stage, consideration would need to be given to alternative forms of transport given the increasing scarcity of fuel.

Whilst welcoming the new development in Huntingdon town centre, Councillor P Kadewere referred to deprivation in Huntingdon North Ward and asked the Executive Leader what steps the Council would take to assist businesses in that part of the town. The Executive Leader assured the questioner that the District Council would continue to work closely with strategic partners to support the most vulnerable in the District. Helping people move away from deprivation was not a role for the District Council alone but the authority, with partners, could provide opportunities and choices for those in such circumstances to change their lives. In terms of the closure of shops and businesses, Councillor Ablewhite commented on the impact of e-commerce but was confident that the redevelopment of Huntingdon town centre would encourage increased visitors to the town and that added footfall would generate greater opportunities for existing businesses and services to revitalise what could be offered on the traditional High Street in Huntingdon.

Councillor Mrs M Banerjee contended that the Council's policies should seek to create opportunities for elderly people to downsize to smaller properties within rural villages or should give greater encouragement to developers to build residential homes for retired people. In response, Councillor Guyatt stated that opportunities existed for such development to take place but that proposals of this nature did not arise very often, plus in many instances, retired persons were reluctant to move.

In response to a question from Councillor S M Van De Kerkhove regarding infrastructure provision and the suggestion that developers neglected to deliver the facilities which many have been promised under original planning consents, Councillor Guyatt urged Members to encourage residents to lobby developers rigorously to adhere to their agreed undertakings. He added, however, that the District Council had little authority in this respect.

In commenting on the quality of life in Huntingdonshire and commending the contribution made to this by the District Council's services and initiatives, Councillor M G Baker asked whether it would be possible to support the construction of a flood alleviation scheme for Alconbury and Alconbury Weston in the same way as that currently being installed in Godmanchester. Councillor Baker also commended the excellent contribution made by the Council's Fraud Team and his fear that the County Council's Social Care budget ultimately would strongly impact on public sector finances as a whole.

In reply, the Executive Leader thanked Councillor Baker for his complimentary remarks, explained that the flood alleviation works at Godmanchester whilst delivered by the Environment Agency and the County Council would not have progressed without a contribution from the District Council and that the District Council would respond when appropriate to proposals for tolling of the A14.

Councillor M F Shellens referred to the increase in distance covered by those living in rural areas when travelling to work and questioned whether the District Council could consider policies which would encourage development of employment in rural areas. Using proposed development at RAF Upwood as his example, the Executive Leader concurred with the comments of the questioner and explained how he would wish to see a mixed use sustainable development on the site at RAF Upwood rather than just housing. He added that the Local Government Association had recently discussed the provision of bus services in rural areas to increase the opportunity for access to employment.

In response to comments made by Councillor P D Reeve, the Executive Leader confirmed that the Cabinet had recommended that further council tax support not be granted to Town and Parish Councils in 2014/2015 and subsequent years and that it would not be in the best interests of the District to establish a greater Cambridgeshire and Peterborough authority as a way to generate additional savings as, in his view, the step would be detrimental to local residents. Councillor Ablewhite added that he could not support development in the countryside in response to the suggestion that the District Council should seek to secure other revenue streams by building hotels, social and affordable housing.

Councillor D B Dew concluded the debate by urging Member representatives of other tiers of authority to join together to support proposed infrastructure projects for the benefit of the County as a whole. This sentiment was endorsed by the Executive Leader.

### **31. FINANCIAL FORECAST TO 2019**

With reference to a report by the Assistant Director, Finance and Resources and in conjunction with the Report of the Cabinet (Minute No. 33a Item No.16 refers) the Executive Councillor for Resources, Councillor J A Gray guided the Council through the process which would lead towards approval of the budget/MTP 2014/15 at the meeting of the Council to be held in February 2014.

Councillor Gray advised Members that the current financial forecast was the most difficult ever presented to the Council. It comprised three components, actual expenditure or outturn in 2012/13, the latest forecast for 2013/14 and the impact of the latest Government announcements on the Medium Term Plan. Having drawn attention to the elements which had affected the latest forecast for the current year, including most notably, the reduction in business rate income, Councillor Gray thanked Members and Officers for both reduced expenditure in 2012/13, which allowed £1m to be placed in the Special Reserve and for identifying a list of savings that could achieve an annual saving rising to £2.1m. Mention also was made of the low inflation rate of 1%.

Councillor Gray drew the Council's attention to three items which had emerged from the Governance Spending Review which would have a major impact on the District Council resulting in the need to achieve savings estimated at £2.8m by 2015/16 and £3.9m in 2018/19. These were Council Tax Limitation to 2%, a reduction in formula grant (RSG) and the proposal that Authorities should transfer £400m of new homes bonus to their Local Enterprise Partnership. In respect of the latter, Members were informed that the Council would continue to lobby the Government to vary their approach so that those Councils that had delivered on the Government's growth strategy would continue to be able to retain a greater proportion of the bonus or that the entitlement to bonus be tapered rather than reduced by the total amount all at once.

Councillor Gray also referred to continued uncertainty in terms of the level of formula grant after the next General Election in 2015, the Council's contribution to the A14 and when this would be required and the extent of savings that can be achieved by 2015/2016. Councillor Gray also described to the Council the reasons why the Cabinet had recommended the cessation of the award of grant or council tax support to Town and Parish Councils. Members also were alerted to the proposed involvement of the Overview and Scrutiny Panels in a process which would seek to challenge service standards and help identify further opportunities for efficiency savings. In closing, Councillor Gray invited Members of all parties to participate fully in this exercise.

In response to subsequent questions from Councillors R D Farrer, K J Churchill and M F Shellens, the Executive Councillor assured the questioners that work was ongoing to ensure both the Estates and One Leisure Service operated commercially, that the opportunity to draw a significant revenue stream from the Council's estates was being explored, that increasing Council Tax as a way to generate additional funds was a high risk strategy in terms of the timescale available, the cost of the necessary referendum and the potential additional burden of re-billing should the referendum be lost and that the issue of the Council's level of reserves had been fully debated by the Overview and Scrutiny Panel (Economic Well-Being).

In terms of the intention to cease grants to Town and Parish Councils, Councillor Gray assured Councillor Mrs L A Duffy that notice of this decision, if supported by the Council, would be sent to Town and Parish Councils as soon as possible after the meeting.

Whilst acknowledging the difficult and important challenge that lay ahead, Councillor R J West recognised that a robust process had been put in place to enable the Overview and Scrutiny Panels to participate in the "Facing the Future" exercise and he urged all Members to engage. Councillor S Greenall concurred with this comment and indicated his appreciation for the consideration being given to the items of savings suggested by the Liberal Democrat Group.

In commending the considered approach which was being taken towards identifying further savings, Councillor S M Van De Kerkhove asked whether the Executive Councillor was aware of approaches

adopted by other authorities. In response, Councillor Gray replied that he only had anecdotal knowledge of some authorities and that it was difficult to compare organisations because of variations in size and character. However, he was aware of some who had spent inadvisably which had meant that they would have greater pressures to face than the District Council.

On the conclusion of discussion, it was moved by Councillor J A Gray, duly seconded and

**RESOLVED**

- (a) that, having acknowledged the financial uncertainty for local authorities, the content of the report now submitted be noted;
- (b) that, subject to there being no change in Government legislation, the payment of grant as council tax support to Town and Parish Councils in 2014/15 and subsequent years be discontinued;
- (c) that the financial forecast be used as the basis for the estimation of the potential level of savings required by the authority; and
- (d) that the Managing Director be requested to identify proposals for additional major savings in 2015/16.

[In accordance with Council Procedure Rule 14.5, Councillor P D Reeve requested that his decision not to support the Motion be recorded in the Minutes.]

**32. MEMBERS' ALLOWANCES**

Having regard to a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) and in noting that a decision not to apply an increase of 1% to Members' allowances in accordance with the automatic index mechanism provided in the approved scheme would save £7,400, the Council

**RESOLVED**

that there be no increase in Members' allowances in the financial year 2013/14.

**33. REPORTS OF THE CABINET, PANELS AND COMMITTEE**

**(a) Cabinet**

Councillor J D Ablewhite, Executive Leader of the Council and Chairman of the Cabinet presented the Reports of the meetings of the Cabinet held on 18th July and 19th September 2013.

.....

In connection with Item No. 16, it was noted that the

recommendations had been considered previously under Minute No. 31.

.....

Whereupon, it was

RESOLVED

that, subject to the foregoing paragraphs, the Reports of the meetings of the Cabinet held on 18th July and 19th September 2013 be received and adopted.

**(b) Overview & Scrutiny Panel (Economic Well-Being)**

Councillor T V Rogers presented the Report of the meetings of the Overview & Scrutiny Panel (Economic Well-Being) held on 4th July and 5th September 2013.

.....

In connection with Item No. 10 and in response to a question from Councillor K J Churchill regarding the Customer Services monitoring report for the period January to June 2013, Councillor Rogers explained that the transfer of the Call Centre to new accommodation, sickness amongst staff, vacant posts and the high targets the service set itself may have contributed to the failure to achieve service standards in 9 out of 12 months but that the Panel would continue to monitor the service.

On the same subject and in response to a further question from Councillor Churchill, Councillor Rogers undertook to advise the questioner, in writing, whether sickness absence had risen in Customer Services over the previous six months.

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Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview and Scrutiny Panel (Economic Well-Being) held on 4th July and 5th September 2013 be received and adopted.

**(c) Overview & Scrutiny Panel (Environmental Well-Being)**

Councillor G J Bull presented the Report of the meetings of the Overview and Scrutiny Panel (Environmental Well-Being) held on 9th July and 10th September 2013.

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Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview and Scrutiny Panel (Environmental Well-Being) held on 9th July and 10th September 2013 be received and adopted.

**(d) Overview & Scrutiny Panel (Social Well-Being)**

In the absence of the Chairman and Vice-Chairman of the Panel, Councillor J W G Pethard presented the Report of the meetings of the Overview and Scrutiny Panel (Social Well-Being) held on 2nd July and 3rd September 2013.

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Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview and Scrutiny Panel (Social Well-Being) held on 2nd July and 3rd September 2013 be received and adopted.

**(e) Development Management Panel**

Councillor D B Dew presented the Report of the meetings of the Development Management Panel held on 15th July, 19th August and 16th September 2013.

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Whereupon, it was

RESOLVED

that the Report of the meetings of the Development Management Panel held on 15th July, 19th August and 16th September 2013 be received and adopted.

**(f) Employment Panel**

Councillor S Cawley presented the Report of the meeting of the Employment Panel held on 18th September 2013.

.....

In connection with Item No. 9, Councillor Cawley clarified that when discussing the necessity for a member of staff to have a level of fitness to undertake a specific job role on their return to work from sickness absence, the Panel also considered whether there should be a level of fitness expected of certain employees whose roles required them to be fit, as for instance for posts in leisure and operations.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Employment Panel held on 18th September 2013 be received and adopted.

**(g) Standards Committee**

Councillor A Hansard presented the Report of the meeting of the Standards Committee held on 27th September 2013.

.....

Upon being put to the vote, the recommendation contained in Item No. 1 was declared to be CARRIED.

.....

Whereupon, it was

RESOLVED

that, subject to the foregoing paragraph, the Report of the meeting of the Standards Committee held on 27th September 2013 be received and adopted.

**(h) Licensing and Protection Panel**

Councillor J W Davies presented the Report of the meeting of the Licensing and Protection Panel held on 25th June 2013.

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Whereupon, it was

RESOLVED

that the Report of the meeting of the Licensing and Protection Panel held on 25th June 2013 be received and adopted.

**(i) Corporate Governance Panel**

Councillor E R Butler presented the Report of the meeting of the Corporate Governance Panel held on 24th July 2013.

.....

Upon being put to the vote the recommendation contained in Item No. 6 was declared to be CARRIED.

.....

Upon being put to the vote, the recommendations contained in Item No. 7 were declared to be CARRIED.

.....

Whereupon, it was

RESOLVED

that subject to the foregoing paragraphs, the Report of the meeting of the Corporate Governance Panel held on 24th July 2013 be received and adopted.

**34. WRITTEN QUESTION**

Councillor D A Giles submitted a written question regarding St. Neots Riverside Car Park to which he received a written response from the Executive Councillor for the Environment, Councillor D M Tysoe.

The response from the Executive Councillor was tabled at the meeting and noted by the Council and a copy, together with the question is appended in the Minute Book.

Following further questions from Councillors R D Farrer and D Harty, the Executive Councillor undertook to look into the question of the liability on the part of the Environment Agency of the cost of any replacement bollards, the likelihood of the continuation of a Police presence at the car park and the effectiveness/cost benefit analysis of options to replace the bollards.

**35. MOTION ON NOTICE**

Councillor D A Giles moved and it was duly seconded by Councillor S M Van De Kerkhove that -

- (a) the District Council, having regard to a request from 'Local Works' (a coalition of over 100 national organisations campaigning to promote the use of the Sustainable Communities Act), urges the Secretary of State for Communities and Local Government to give local authorities the power to introduce a local levy of 8.5% of the rateable value on large retail outlets in their area with a rateable annual value not less than £500,000; and that the revenue received from this levy be retained by the appropriate local authority in order to be used to improve local communities in their areas by promoting local economic activity, local services and facilities, social and community well-being and environmental protection;
- (b) the District Council notes that if this power was acquired it would present the opportunity to raise further revenue for the benefit of local communities, should the Council wish to use it; and
- (c) the proposal be submitted to the Secretary of State under the Sustainable Communities Act and the District Council undertakes to work with 'Local Works' to gain support for the proposal from other Councils in the region and across the country."

After discussion and having been put to the vote, the Motion was



declared to be LOST.

[In accordance with Council Procedure Rule 14.5, Councillors D A Giles and S M Van De Kerkhove requested that it be recorded that they had voted for the Motion and Councillor S Greenall requested that it be recorded that he had abstained from voting on the Motion.]

### **36. ORAL QUESTIONS**

#### **Question from Councillor P D Reeve to the Executive Leader, Councillor J D Ablewhite**

In response to a question which had requested the support for County Councillor P Bullen in his campaign to prevent Luminus Group from demolishing the sheltered housing scheme at Langley Court and Langley Close, St. Ives, the Executive Leader questioned the accuracy of the statements that had been made by the County Councillor on the subject, indicated his support for the provision of adult social care and for the contribution made to this by registered social landlords and suggested that he would await further information on the subject before the District Council proceeds to determine the planning application for a new extra care facility on the site.

#### **Question from Councillor R D Farrer to the Executive Councillor for Planning and Housing Strategy, Councillor N J Guyatt**

In response to a question regarding an explanation for a perceived increase in the time being taken to determine a planning application, Councillor Guyatt assured the questioner that, when necessary, additional resources would be diverted to ensure the delivery of the service. As Chairman of the Development Management Panel, Councillor D B Dew added that in a recent report on the activities of the Division, it had been reported that the service had determined 85% of all applications received during the specified period and continued to meet the performance targets set for the service.

#### **Question from Councillor R J West to the Executive Leader, Councillor J D Ablewhite**

The Executive Leader assured the questioner that he too had felt uplifted at the response to a recent Coffee Morning held to raise funds for the McMillan Charity.

#### **Question from Councillor M F Shellens to the Executive Councillor for Customer Services, Councillor B S Chapman**

Having been requested to state how many District residents had paid extra tax for an additional bedroom, whether this had had an impact on the number of people on the homeless list and how many families had moved into a vacated large property because the previous occupant had decided to downsize, Councillor Chapman undertook to respond in writing to the questioner.

#### **Question from Councillor M F Shellens to the Executive Leader, Councillor J D Ablewhite**

In connection with the challenges facing the Council in managing

future budgets, Councillor Ablewhite assured the questioner that the authority would continue to lobby the Government, through the Local Government Association, to seek improvements to its position and would seek the views of local residents in terms of the services that they would wish to retain in the future.

**Question from Councillor R G Tuplin to the Executive Councillor for Healthy and Active Communities, Councillor R B Howe**

The assertion having been made that Sawtry Community College could lose £80,000 from Cambridgeshire County Council from March 2014 for funding day time use of Sawtry Leisure Centre, the Executive Councillor undertook to respond to the questioner, in writing, on the attempts that have been made to secure future use of the facility once this funding had been withdrawn.

**37. VARIATION TO THE MEMBERSHIP OF COMMITTEES AND PANELS, ETC**

No variations to the membership of Committees and Panels etc. were reported.

The meeting ended at 10pm.

Chairman

**Public  
Key Decision - No\***

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Scrap Metal Dealers Act 2013

**Meeting/Date:** Council  
13 November 2013

**Executive Portfolio:** Councillor Robin Howe  
Executive Councillor for Healthy and Active Communities

**Report by:** Dr Susan Lammin  
Head of Environmental and Community Health Services

**Ward(s) affected:** All

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### **Executive Summary:**

The purpose of this report is to inform the Council of the changes to the regulatory regime for controlling scrap metal dealing. This is to be implemented through the introduction of The Scrap Metal Dealers Act 2013. Delegated authority is being sought for the Terms of Reference of the Licensing Committee to be extended to enable it to deal with all matters which are the responsibility of the Council under the Act and for the Head of Environmental and Community Health Services to both determine licensing fees and to appoint suitably qualified and competent officers, to enforce the provisions of the Act on behalf of the Council.

The Act replaces the previous registration system for scrap metal dealers and motor salvage operators, and introduces a licensing scheme which will be administered by local authorities. The procedures are based on those used within the regime for alcohol licences, created in the Licensing Act 2003. The local authority is entitled to set a licence fee which reasonably reflects the costs it will incur in administering the licensing process and ensuring compliance. It is proposed the fees will be set on a full-cost recovery basis.

The Act introduces the right for an applicant to make oral representations to the Council at a formal hearing if they have been notified that the Council proposes to refuse them a licence or proposes to revoke their existing licence. In order to deal with contested applications it is recommended that the functions of the Licensing Committee are expanded to include the new Act and a Sub-Committee is established to deal with oral representations at application hearings.

Based on the current number of registered scrap metal dealers and motor salvage operators operating within Huntingdonshire it is estimated that total income from issuing three-year licences will be around £10K (£3.3K per annum).

The duties associated with the administration of the licenses and necessary monitoring will be absorbed by existing staff within Environmental and Community Health Services.

## **Recommendations**

**In light of the duties established under the Scrap Metal Dealers Act 2013, the Council be recommended to: -**

- a. vary the Terms of Reference of the Licensing Committee to enable the Committee to discharge the functions of the Scrap Metal Dealers Act 2013 and to convene a relevant sub-committee when appropriate, to deal with contested applications and applications hearings;**
- b. authorise the Head of Environmental and Community Health Services to appoint suitably qualified and competent persons to act as “authorised persons” to determine and issue licences and enforce the provisions of the Scrap Metal Dealers Act as appropriate;**
- c. authorise the Head of Environmental and Community Health Services to determine the licensing fees and review them annually and as appropriate;**
- d. authorise the Head of Environmental and Community Health Services to initiate prosecutions under the legislation after consultation with the Chairman and Vice Chairman of the Licensing Committee; and**
- e. authorise the Head of Legal & Democratic Services to make the necessary amendments to the Scheme of Delegations and Table 2 – Responsibility for Council Functions contained in the Council’s Constitution.**

## **1. WHAT IS THIS REPORT ABOUT/PURPOSE?**

- 1.1 The purpose of this report is to inform the Council of the introduction of the Scrap Metal Dealers Act 2013 and to seek delegated authority for the Head of Environmental and Community Health Services to set licensing fees and appoint suitably qualified and competent officers to enforce the provisions of the Act on behalf of the Council.
- 1.2 The Act replaces the previous registration system for scrap metal dealers created by the Scrap Metal Dealers Act 1964 and for motor salvage operators under Part 1 of Vehicles (Crime) Act 2001, and establishes a new licensing regime for the scrap metal dealing and vehicle dismantling industries. The scheme will be run and administered by local authorities and provides local authority appointed officers and the police with suitable powers of entry and inspection to both licensed and unlicensed sites.
- 1.3 The main provisions of the Act are as follows:
- Prohibits cash payments for scrap metal;
  - Requires licensees to verify the identity, including the full name and address, of metal suppliers and maintain accurate records of all scrap metal purchases and sales;
  - Allows the Council to set appropriate licence fees;
  - Allows the Council to determine the suitability of applicants;
  - Allows the Council to refuse or revoke a licence;
  - Allows the Council and Police to issue closure notices on unlicensed scrap metal dealers; and
  - Increases the financial penalties for offences.
- 1.4 The majority of the Act came into effect on 1 October 2013 with a transitional period to ensure a smooth hand over from the old regime to the new with minimal disruption to scrap metal dealers. Enforcement of the new licensing regime will commence on 1 December 2013.

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 The recent growth of metal theft offences, driven by increased commodity costs, has highlighted the ineffectiveness of the existing regulatory regime under the Scrap Metal Dealers Act 1964 which has failed to prevent the scrap metal industry being the central market for stolen metal.
- 2.2 The Home Office estimated that there are around 100,000 reported metal theft offences a year with significant costs to the economy estimated at around £800m per year. Metal theft impacts on a wide range of sectors – including national transport infrastructure, electricity and telecommunication links; street furniture; heritage buildings; memorials; commercial and residential buildings including churches and schools. For instance within Huntingdonshire there have been reported incidents of the theft of lead flashing from buildings, drain covers and telephone cables. It is anticipated that the new Act will result in a significant reduction in criminal activity.
- 2.3 The current legislation for scrap metal dealers only requires basic information to be supplied and no fee is payable. The new Act will require more detailed information to be submitted upon application and will allow the local authority to set a fee. The fee must be fixed to allow cost recovery and local authorities will have to have regard to guidance issued by the Secretary of State. Each licence granted will be valid for a period of three years.

- 2.4 In determining licence applications the Council is required to carry out suitability checks on applicants and in doing so must formally consult with the Police, the Environment Agency and any other relevant authority. If the applicant is deemed to be unsuitable, for example because of previous criminal convictions, the council will not be able to issue a licence.
- 2.5 There are two types of licence specified in the Act:
- **Site licence.** A site manager has to be named for each site. This licence allows the licensee to transport scrap metal to and from those sites from any local authority area.
  - **Collector's licence.** This allows the licensee to operate as a collector in the area of the issuing local authority.
- 2.6 The Act introduces the right for an applicant to make oral representations to the Council at a formal hearing if they have been notified that the Council proposes to refuse them a licence or proposes to revoke their existing licence. In order to deal with contested applications it is recommended that the functions of the Licensing Committee are expanded to include the new Act and that sub-committees be established to deal with oral representations at application hearings.
- 2.7 The most obvious instance where an application should be referred to a Licensing Committee is where there is information available to the Council that suggests the applicant may not be suitable to hold a scrap metal dealers licence. Existing good practice around the consideration of applications by Licensing Committees should be applied to the consideration of applications for scrap metal dealers licences.
- 2.8 In the event that the Committee is minded to refuse the application then it will need to carefully consider the grounds on which it has decided to do so. The applicant has to be given the reasons an application has been refused and if there is an appeal, the Council will need to have robust grounds on which to defend its decision not to grant a licence.
- 2.9 There are currently 11 collectors and 19 Scrap Metal Dealers and Motor Salvage Operators registered and operating with the District Council area. These business operators are now required to apply to the Council for a licence and must comply fully with the requirements of the Act.

### **3. KEY IMPACTS/RISKS. HOW WILL THEY BE ADDRESSED?**

- 3.1 There is a financial risk if licence fees are set too low and do not enable the council to recover the full costs of implementation and administering the licensing regime. Equally there is a risk if the Council sets the fees too high and is challenged through an appeal process or discourages businesses from applying thereby creating additional compliance costs if they continue to trade without a licence. These would be non-recoverable costs.
- 3.2 There is also a risk that applicants could formally appeal if the Council refuses to grant a licence following a hearing. Costs associated with appeals are not recoverable through the licensing regime.

#### **4. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 4.1 The transitional arrangements and implementation of the new Act imposes a challenging timetable for the Council.
- 4.2 Because of the timescale for the implementation of the Act, the Head of Environmental and Community Health Services proposed a scale of fees to enable licence applications to be dealt with from 1st October. The Chairman and Vice-Chairman of the Committee were consulted on the proposed level of fees and subject to these being approved formally by the Committee at the earliest possible opportunity, indicated their consent to them being applied, in the event that licences required to be issued during this interim period.
- 4.3 Any dealer currently registered under the 1964 Scrap Metal Dealers Act, or a motor salvage operator already registered under the 2001 Vehicles (Crime) Act, will be deemed to have a licence under the 2013 Act until the Council grants a licence or sends the dealer notice of its decision to refuse the licence, provided they submit an application on or before the 15 October. If they have not submitted an application their deemed licence will have lapsed on 16 October. If they wish to trade in the future they would then need to submit an application, but would not be able to legally trade until a licence had been granted
- 4.4 All known scrap metal dealers and motor salvage operators within the district have been contacted by letter and provided with guidance notes and an application form.

#### **5. LINK TO THE LEADERSHIP DIRECTION**

- 5.1 The implementation of the Scrap Metal dealers Act contributes towards the Council's Key Themes of 'Enable Sustainable Development' by protecting and improving our environment and 'Improve the Quality of Life in Huntingdonshire' by working with partners to minimise the fear of crime. It also supports the Council by maximising business and income generation opportunities.
- 5.2 The District Council is a leading member of the Huntingdonshire Community Safety Partnership. One of the Partnership's key aims is to reduce crime and this includes acquisitive crime such as metal theft.

#### **6. CONSULTATION**

- 6.1 Local Authorities within Cambridgeshire have participated in a small working group with Cambridgeshire Police to discuss the implications of the Act, to agree liaison arrangements and to establish a consistent and efficient way of administering the licensing regime and ensuring compliance.
- 6.2 All registered scrap metal dealers and motor salvage operators known to be operating within Huntingdonshire have been advised in writing about the changes to legislation and have been provided with guidance notes and application forms. They have also been provided with a contact point for further information.

#### **7. LEGAL IMPLICATIONS**

- 7.1 The Scrap Metal Dealers Act 2013 came into effect on 1 October 2013 with Transitional Arrangements taking effect from 1 September 2013. The Act

places a statutory duty on the Council to enforce the provisions of the Act and determine licence applications

## **8. RESOURCE IMPLICATIONS**

8.1 There is no additional funding attached to the regulations although the local authority is entitled to set a licence fee which reasonably reflects the costs it will incur in administering the licensing process and ensuring compliance. There are staffing implications, in terms of administration and compliance activity as well as training requirements.

8.2 A proposed scale of fees is presented at Appendix A. It is estimated that the total income generated by the licensing regime, based on a 3 year licence, will be around £10K (£3K per annum).

8.3 The duties will be absorbed by existing staff within Environmental and Community Health Services.

## **9. OTHER IMPLICATIONS**

9.1 Each application will be dealt with on its own merits, therefore there are no inclusion, diversity and community cohesion implications arising from this report. Consideration has been given to the means and methods of communicating the licensing regime to target audiences.

## **10. REASONS FOR THE RECOMMENDED DECISIONS**

10.1 Under the Act the Council is the Licensing Authority and has a statutory duty to enforce the provisions of the Act and determine licence applications.

## **11. LIST OF APPENDICES INCLUDED**


Appendix A – Licence fees

## **BACKGROUND PAPERS**

Scrap Metal Dealers Act 2013

## **CONTACT OFFICER**

**Chris Lloyd – Health Protection Manager**

 **01480 388290**



## Licensing Committee

29 October 2013

## SCRAP METAL DEALERS ACT 2013

Licence Type	Fee
Site Licence	£415
Collectors Licence	£285
Collectors Licence holding existing Licence with another LA issued within three months of date of application to HDC.	£250
Variation of a Licence (Person)	£105
Variation of a Licence (Site)	£16

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## **Cabinet**

### **Report of the meeting held on 17th October 2013**

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#### **Matters for Information**

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#### **22. A14 IMPROVEMENTS – HIGHWAYS AGENCY CONSULTATION**

**Having regard to the views of the Overview and Scrutiny Panel (Environmental Well-Being) (Item No.17 of their Report refers),** the Cabinet has considered a suggested response, on behalf of the Council, to a consultation paper issued by the Highways Agency on the proposed A14 Cambridge to Huntingdon Improvement Scheme. In so doing, the Cabinet had regard to representations made at the meeting by Councillors Ms L Kadic and R West. Both expressed their support for the improvement scheme. However, Councillor West raised concerns over the impact of tolling for local residents and Councillor Kadić stressed the need to effectively communicate the benefits of the scheme to residents.

Executive Councillors were reminded that the scheme will be supported by a local finance package of £100m, comprising contributions from various partners including the County Council and the Local Enterprise Partnership, with the District Council contributing up to £5m over a 25 year period. In discussing the information before them, Executive Councillors reiterated that the District Council's financial contribution was conditional on the overall scheme including the removal of the Huntingdon Viaduct, the creation of an improved new local road network for Huntingdon and the construction works commencing by 2016.

In considering the key aspects of the scheme, the Cabinet's attention has been drawn to a proposal to introduce a toll road between the A1/A14 junction and Swavesey. The Cabinet has agreed that if the scheme has to include a tolling element, that this must be collected in a free-flow fashion and that the daily charge must be maintained at a level which is as low as possible i.e £1 for cars and £2 for HCV's, over an appropriate extended time period to be agreed between all the funding partners.

The Assistant Director, Environmental, Growth and Planning has been requested to reflect these comments in the Council's response to the Highways Agency.

**23. CUSTOMER SERVICES STRATEGY 2013-18**

The Cabinet has considered the content of the Customer Services Strategy for 2013-18. As part of their deliberations, the Cabinet had regard to the conclusions reached by **the Overview and Scrutiny Panel (Economic Well-Being) on the matter (Item No.17 of their Report refers).**

In so doing, Executive Councillors have queried the need to create a business case for the relocation of the call centre to Pathfinder House and have raised concerns over the timescale for the publication of customer service performance information. Members were of the view that performance data should be readily available and the dates within the action plan reviewed.

Having also suggested that the Council should be aspiring to provide a high level of service rather than achieving excellence, the Cabinet has approved the contents of the Strategy subject to minor amendments to reflect the views above.

**24. JOINT MATERIALS RECYCLING FACILITY PROCUREMENT INVITATION TO TENDER**

**Further to Item No. 20 of their Report to the meeting of the Council held on 25th September 2013 and having regard to the conclusions reached by the Overview and Scrutiny Panel (Environmental Well-Being) (Item No.15 of their Report refers),** the Cabinet has authorised the Head of Operations, after consultation with the Executive Councillor for Environment, to approve the Invitation to Tender document for the procurement of a Materials Recycling Facility (MRF) service for the bulking, sorting and onwards processing/sale of recyclable materials.

Disquiet continues to be expressed by Members over the lack of a risk/sensitivity analysis for the contract. Owing to Member's concerns, the Head of Operations has agreed to arrange for further information on the financial implications of the new arrangements to be circulated to the Cabinet.

**25. OVERVIEW AND SCRUTINY INVOLVEMENT IN IDENTIFYING PRIORITY AREAS FOR SAVINGS**

**Further to Item No. 21 of their Report to the meeting of the Council held on 25th September 2013,** the Cabinet has approved a process for a detailed review of service areas by the Overview and Scrutiny Panels. The Panels will focus on the most significant options for each service and have been tasked with prioritising areas where savings can be achieved. All the reviews must be completed by December 2013 to enable the outcome of the Panel's deliberations to be reported to the Cabinet's January 2014 meeting. The process will be the subject of an external assessment (Peer Review) by the East of England Local Government Association.

**26. STREET NAMING AND NUMBERING –  
IMPLEMENTATION OF CHARGES**

**In conjunction with the Overview and Scrutiny Panel (Environmental Well-Being) (Item No.16 of their Report refers),** the Cabinet has considered a proposal to introduce a charge for Street Naming and Numbering Services.

Under the provisions of the Public Health Act 1925, the District Council has to provide street names for new streets and numbering for new properties. The Act also gives the Council a duty to maintain and replace damaged, missing or illegible street name plates.

In considering a proposed schedule of charges, Executive Councillors have expressed concern over the lack of reference to the cost of providing the service or alternative charging options available to the Council. Given their unease, the Cabinet has deferred consideration of the proposals, until their next meeting, to enable these issues to be addressed.

**27. PAY REVIEW – PROGRAMME PLAN**

The Cabinet has been acquainted with the progress being made on the Council's Pay Review project. Members were informed that the consultation process with employees was about to commence and will involve the release of a comprehensive pack, on the proposed new pay model, to all staff. The process will be supported by a series of presentations and briefings and will formally end in December.

J D Ablewhite  
Chairman

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## **Overview & Scrutiny Panel (Economic Well-Being)**

**Report of the meeting held on 3rd October 2013**

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### **Matters for Information**

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#### **16. REVIEW OF THE DOCUMENT CENTRE**

The Panel has received the management responses to the findings and recommendations which had been made following the review of the Council's Document Centre. The review had been undertaken in 2012. Its purpose was to examine the costs of the Document Centre and to form a view on its efficiency and cost effectiveness.

Having examined the actions taken on each of their recommendations in turn, the Panel has endorsed the responses which have been made. The Head of Legal and Democratic Services has been asked to circulate further information on the savings which have been generated by the review.

In terms of the Panel's intention to undertake a separate review of Electronic Document Management (EDM) within the Authority, it has been noted that the Internal Audit Service is currently undertaking an audit of this area of activity. Members do not wish to duplicate this work so they have asked to see the outcome of this audit when it has been concluded.

#### **17. CUSTOMER SERVICES STRATEGY**

The Panel endorsed the contents of a new Customer Services Strategy, which has been prepared for the Authority for the period 2013-18. The Strategy is a high level document that will enable and oversee positive change within the Authority by placing the customer at the heart of all Council activity and decisions. It has been developed in conjunction with a working party which had been established by the Panel to contribute to the Strategy's formation.

In considering the contents of the draft Strategy, Members have commented on a range of issues, including:-

- ◆ the need to be aware of the implications of transferring customer contact online on adult health, particularly on the District's elderly residents;
- ◆ the potential to make better use of the Town and Parish Councils to deliver District Council services in their areas;

- ◆ the opportunities which exist for working in partnership with other public sector organisations to deliver services for Huntingdonshire residents from the Customer Services Centre; and
- ◆ the scope for the Council to promote its own services on some of the more popular web pages.

The Panel has also indicated its support for the future co-location of the Council's Call-Centre with the Customer Services Centre. This is one of the options that will be considered when the current lease expires. Members have suggested that the project team that undertakes this work should include accommodating other local authorities' Call Centres within the District Council's facility in its enquiries.

Members have commented on the need to monitor satisfaction levels during the Strategy's implementation to ensure it does not have an adverse impact on customers. It has been suggested that the introduction of a series of milestones to 2018 will enable the Council to establish that the Strategy is on track. Members have been informed that an MTP bid has been developed to establish a new post which would act as a liaison officer between the Customer Services section and the web team.

The Panel has discussed the ways in which Members can help to support the change in culture which the new Strategy will require. There is a role for local councillors to encourage members of the public to use web services where they are able to do so. For the Strategy to succeed, the Council's management, Officers and Members must commit to delivering the changes it requires.

## **18. OVERVIEW & SCRUTINY INVOLVEMENT IN IDENTIFYING PRIORITY AREAS FOR SAVINGS**

*(Part of the discussion on the following item was considered as a confidential item under paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972.)*

In conjunction with the Panels for Social and Environmental Well-Being and at the request of the Cabinet, the Panel has considered and endorsed a proposed process for undertaking reviews of Council services with a view to identifying opportunities for savings. These reviews will take place in November and December, with the intention that they will be completed in time to report the findings to the Cabinet in January 2014. The Cabinet will then determine an overall priority order for work to proceed.

In order to undertake the reviews a number of service areas have been allocated to each Panel so that the expertise of Members can be utilised. The distribution of services has been based on the responsibilities of Heads of Service and Executive Councillors. There is a mix of customer facing and support services.



In considering the process to be employed, the Panel has discussed the focus of the exercise and made a number of detailed comments on the overall approach. The Panels will focus on the options that achieve the greatest savings in the easiest ways. It has been suggested that it could be beneficial to involve partners in the exercise as they would provide a fresh perspective on services. These partners could include County Council Members and Officers or representatives from other District authorities in the County. Particular reference has been made to the Local Government Association peer review scheme.

The Panel has made a number of specific suggestions about the information which will be provided in a template for each particular service area. These include the need for an indication to be given of the relative value of potential savings and income and expenditure information. The Assistant Director, Finance and Resources will also consider whether it will be useful for a number of other suggestions to form part of the template.

The Panel has been keen to establish that mechanisms are in place to ensure service managers are sufficiently challenging and that their templates are accurate. All templates will be reviewed by the Chief Officers Management Team before they are published. This will also mean the suggested priority order for each proposal reflects the size of the saving and its ease of achievement.

All Members of the Council will receive an open invitation to attend and participate in any of the forthcoming meetings. Comments can also be submitted to Panel Chairmen by writing if necessary. If a Member has a particular concern or requires further information on any aspect of a service, this should be referred to the Service Manager in advance of the meeting. It has been suggested that at the conclusion of the process, the Chairmen should determine the overall priorities arising from the Panels' work.

To enable the Panel to complete this work two additional meetings have been arranged. A process has also been agreed for dealing with on-going business during this period. The Panel will consider the draft Budget and MTP at its meeting on 5th December 2013 as planned.

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### **Other Matters of Interest**

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#### **19. NOTICE OF KEY EXECUTIVE DECISIONS**

The Panel has received the Notice of forthcoming Key Executive decisions, which have been prepared by the Executive Leader. The Scrutiny and Review Manager has been asked to circulate copies of the Consultation and Engagement Strategy and of the Huntingdon West Masterplan to interested Members when they become available.

**20. OVERVIEW & SCRUTINY PANEL (ECONOMIC WELL-BEING) –  
PROGRESS**

The Panel has reviewed its programme of studies. In so doing, Members have discussed the approval process for offering loans to other organisations.

**21. SCRUTINY**

The Panel has considered the latest edition of the Decision Digest and discussed matters contained therein.

T V Rogers  
Chairman

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## **Overview & Scrutiny Panel (Environmental Well-Being)**

**Report of the meeting held on 8th October 2013**

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### **Matters for Information**

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#### **15. MATERIALS RECYCLING FACILITY JOINT PROCUREMENT**

Pursuant to Item No. 10 of their Report to the meeting of the Council held on 25th September 2013, the Panel has been provided with further information on the joint procurement of a Materials Recycling Facility service for the bulking, sorting and onwards processing/sale of recyclable materials. At its September 2013 meeting, the Executive requested the Panel to consider the final Invitation to Tender (ITT) document prior to final approval for it being sought from the Cabinet. However, there will not be sufficient time for the Panel and the Cabinet to comment on the final draft ITT. In noting that there will be an opportunity for Members to review the tenders received, the Panel has reiterated its previous recommendation that the decision on the ITT should be delegated to the Head of Operations following consultation with the Executive Member for Environment. The Council's Section 151 Officer will be actively involved in the procurement process.

#### **16. STREET NAMING AND NUMBERING – IMPLEMENTATION OF CHARGES**

The Panel has considered a proposal to introduce charges for the Council's Street Naming and Numbering service. Given the pressures on the Council to achieve savings and to generate income opportunities wherever possible, it has been suggested that the Council should adopt the practice employed by a number of other local authorities, including East Cambs, South Cambs and Cambridge City and introduce charges for the service. The proposed fees have been based on those of the other Cambridgeshire authorities.

In the case of new developments, the developer is expected to meet the costs of naming and numbering. This does not include the provision of street name plates. There is a separate budget for this purpose. Subject to confirmation being received from the Head of Legal and Democratic Services that the Council has the power to make such charges, the Panel has recommended the Cabinet to approve the introduction of charges for Street Naming and Numbering services.

**17. A14 IMPROVEMENTS – HIGHWAYS AGENCY CONSULTATION**

The Panel has endorsed suggested terms of a response to the non-statutory consultation currently being undertaken by the Highways Agency on the proposed A14 Cambridge to Huntingdon Improvement Scheme. A further statutory public consultation will be undertaken in spring 2014 with construction works planned to commence in late 2016.

The Panel has received an explanation of the proposals for the A14 from Ellington heading eastwards and from the A1 at Alconbury heading south. A number of key issues have been identified including the introduction of a Toll Road between the A1/A14 junction and Swavesey. Having regard to traffic near Brampton, it was confirmed that the overall intention is to avoid creating any new traffic movements.

The Council will have a significant role to play in the determination of the Development Consent Order application which is hoped will be given approval in late 2014.

**18. OVERVIEW AND SCRUTINY INVOLVEMENT IN IDENTIFYING PRIORITY AREAS FOR SAVINGS**

*(Part of the discussion on the following item was considered as a confidential item under paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972.)*

The Panel has accepted a role in identifying priority areas for savings. There is a need for additional savings of £3,694,000 to be identified by 2018/19 and significant changes will need to be made to the way the Council currently operates. It has been decided that two additional meetings of the Panel should be held on 20th November and 4th December 2013 for this purpose.

The three Overview and Scrutiny Panels have been asked to assist with undertaking reviews of all the Council's services and to prioritise areas where savings can be achieved. The reviews have to be completed by December 2013 so that the Panels' recommendations can be submitted to the Cabinet in January.

With reference to an example of a service area, the Panel has discussed the format of a template which has been developed to facilitate this process. The template contains a range of information including statutory duties, service standards and current performance, manpower including any vacancies and financial data including historic spending. An explanation of each element of the template has been delivered to enable Members to gain a feel for the information that will be presented to them at the forthcoming meetings. Clarification has been received of various aspects of the review process and the level of information that will be provided in the templates.

The Panels' programme of meetings and schedule of work for November and December 2013 has been submitted to the Cabinet at its October 2013 meeting for approval. Members have been mindful of the need to allow for flexibility in the programme to enable reassessment of earlier reviews and prioritisation to take place. The Overview and Scrutiny Panel Chairmen and Vice-Chairmen will be meeting at regular intervals to review their collective progress.

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### **Other Matters of Interest**

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**19. OVERVIEW AND SCRUTINY PANEL  
(ENVIRONMENTAL WELL-BEING) - PROGRESS**

The Panel has reviewed its programme of studies and received updates on the development of a Tree Strategy for Huntingdonshire and on the outcome of a recent site visit to the Great Fen. The Chairman and Vice-Chairman have since visited the recently renovated Rhymes Reed Bed area of the project.

The Wind Turbine Supplementary Planning Document will be resubmitted to a future meeting of the Panel and Members have commented that the document needs to be introduced at the earliest possible opportunity but it will be necessary to ensure it is sound and appropriate for Huntingdonshire.

The Panel has reiterated its wish to scrutinise the work of the Huntingdonshire Strategic Partnership Growth and Infrastructure Thematic Group.

**20. WORK PLAN STUDIES**

The Panel has received details of the studies being undertaken by the other Overview and Scrutiny Panels.

**21. NOTICE OF KEY EXECUTIVE DECISIONS**

The Panel has been acquainted with the current Notice of Key Executive Decisions. Items on the Carbon Management Plan and the Green Deal have been deferred for consideration to the Panel's January 2014 meeting.

**22. SCRUTINY**

The Panel has considered the latest edition of the Decision Digest and discussed matters contained therein.

G J Bull  
Chairman

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## **Development Management Panel**

**Report of the meeting held on 21st October 2013**

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### **Matters for Information**

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**7. ADDITION OF CIL FORM TO 'LOCAL LIST' APPLICATION VALIDATION REQUIREMENTS**

In Item No. 4 of their Report to the meeting of the Council held on 25th September 2013, the Panel reported that it had, following consultation with the local community, undertaken a review and approved revisions to its 'Local List' of the information necessary to validate a planning application.

Since then, a review of the process for the administration of CIL has revealed that it would be of benefit to applicants and the District Council to also insist on the submission of a 'CIL Planning Application Additional Information Requirement Form' as necessary to validate a planning application. Asking for this additional information, at this stage, would ensure all applicants were aware of any liability to CIL before committing to the submission of a formal planning application thereby, ultimately, saving both the applicant and the local planning authority time, effort and money.

Having endorsed the undertaking of a further round of consultation and, as it would be unlikely that the latest proposed revision will be of any interest to town and parish councils, the Panel suggested that only agents/developers should be invited to participate with the outcome reported to a future meeting.

**8. MIXED USE DEVELOPMENT OF LAND AT THE FORMER ALCONBURY AIRFIELD SITE AND NEIGHBOURING FARMLAND, ERMINE, STREET, THE STUKELEYS**

The Panel has commenced the process for the consideration of the principles for and details associated with proposed development on the site of the former Alconbury Airfield and neighbouring adjoining arable farmland. The site is located north west of Huntingdon and extends to some 580 hectares. If supported, the proposed development will create a sustainable mixed community which will integrate homes, employment, sport and recreation facilities, green space, transport links and other appropriate infrastructure required to meet the needs of the development. A major development such as that proposed on Alconbury Airfield involves detailed complex negotiations not only with the developer but with the other statutory consultees and authorities who are impacted by the proposals. The

Panel has been made aware of the process for consideration of all the material issues associated with the development and, ultimately for the determination of the planning application. Because of the scale of growth proposed, the application will also need to be referred (should the Council be minded to support it) to the Secretary of State for Communities and Local Government.

At this stage, the Panel has received representations from the Stukeleys Parish Council and the applicant and been advised of the support of the Section 106 Agreement Advisory Group for the draft principles of the proposed Section 106 Agreement as a basis for continuing negotiations on matters such as affordable housing, transport, education, health and open space for instance.

Having discussed details of the application at length and expressed their satisfaction with and support for the principle and general form of the proposed development, the Panel has authorised the Assistant Director, Environment, Growth and Planning to continue to negotiate obligations based on the principles already established to make the development acceptable in planning terms and, if possible, to expedite the submission of a further report to a Special Meeting of the Panel with details of the outcome of these negotiations and suggestions as to those matters which need to be the subject of conditions.

This application may also need to be considered by a Special Meeting of the Council to be held in December.

## **9. DEVELOPMENT APPLICATIONS**

In addition to the proposals for development at Alconbury Airfield, the Panel determined ten other development applications at the meeting of which nine were approved and one refused.

D B Dew  
Chairman



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## **Licensing and Protection Panel**

**Report of the meeting held on 29th October 2013**

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### **Matters for Information**

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**7. MODEL CONDITIONS FOR PET VENDING LICENSING 2013**

The Committee has approved the adoption of the 'New Model Conditions for Pet Vending Licensing 2013'.

The conditions, which replace those currently used by the Council when issuing licenses to pet vendors, have arisen from the recommendations made by a working group set up by the Chartered Institute of Environmental Health. The conditions set out the basic minimum standards considered necessary to ensure the health, safety and welfare of animals in pet shops and seek to minimise the risk of transmission of disease from animals to humans. The conditions which also require lower stocking densities than have been previously deemed acceptable will be used as a guide by the Council when attaching conditions to the licences it issues to pet vendors under the provisions of the Pet Animals Act 1951.

**8. LICENSING AND PROTECTION APPLICATIONS SUB-GROUP.**

The Panel has noted details of the three meetings of the Applications Sub-Group that took place on 1st July, 23 July and 22 August 2013.

J W Davies  
Chairman

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## **Licensing Committee**

**Report of the meeting held on 29th October 2013**

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### **Matter for Information**

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#### **1. SCRAP METAL DEALERS ACT 2013 – DELEGATIONS**

The Licensing Committee has been made aware of changes to the regulatory regime for controlling scrap metal dealing and the associated delegations that are required to enable the Council to discharge its duties and obligations under the Scrap Metal Dealers Act 2013.

The Committee has been advised that the Act, which came into force on 1st October 2013 as a consequence of the increase in metal theft, replaced the previous registration scheme for scrap metal dealers. Local authorities, as the principal regulator, will now have the power to better regulate these industries by refusing to grant a licence to unsuitable applicants and to revoke a licence where the dealer becomes unsuitable. The licensing regime introduced by the Act will be similar to that of the Licensing Act 2003 and whilst it was expected that straight forward applications would be decided under delegation to Officers, any disputed decisions would need to be considered by a Licensing Sub-Committee.

Administration and monitoring of the licences will be carried out by the Environmental and Community Health Division and the licensing authority is required to set licence fees which reasonably reflect the work involved. It is estimated that the total income from issuing the licenses, which last for three years, will be approximately £10k (£3.3k per annum). The Committee has been advised that enforcement will be undertaken by the Police.

Having expressed concern that action had already been taken with regard to the setting of fees prior to appropriate changes being made to the Constitution, a decision on these matters was deferred to enable the Council to consider the impact of the Act on the Committee's terms of reference and scheme of delegation. Therefore, the report now appears elsewhere on the agenda.

J W Davies  
Chairman

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## Corporate Governance Panel

### Report of the meeting held on 26th September 2013

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#### Matters for Decision

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#### 14. EFFECTIVENESS OF THE PANEL

By way of a report by the Internal Audit Manager (a copy of which is reproduced as Appendix A hereto), the Panel has been acquainted with the outcome of a review undertaken by the Chairman and Vice-Chairman on the effectiveness of the Panel. The review has concluded that the Panel was generally acting effectively and fulfilling its terms of reference.

With regard to the frequency of future reviews, Members concluded that these should be undertaken annually. The Panel discussed also whether their effectiveness should be the subject of an independent review. Having been advised that an external assessment would cost between £3,000 and £20,000 and given the financial challenges being faced by the authority, the Panel felt that it would be unreasonable to pursue this course of action.

However, Members have supported a number of opportunities to further improve the effectiveness of the Panel including the development of a formal induction training plan, preparation of a formal annual report, changes to the Panel's Terms of Reference and transfer of responsibility for the Risk Management Strategy to the Cabinet. Given that the latter two proposals required amendments to be made to the Council's Constitution, the Panel

#### RECOMMEND

- (a) **that the Cabinet's Terms of Reference be amended to include the approval of the Risk Management Strategy; and**
- (b) **that the Corporate Governance Panel's new Terms of Reference, as outlined in the Appendix to the report, be approved.**

#### 15. IMPROVING INTERNAL CONTROLS

The Panel has considered a report by the Internal Audit Manager (a copy of which is reproduced at Appendix B hereto) proposing amendments to the Code of Procurement and the Code of Financial Management. The changes recommended have arisen as a result of

an internal audit investigation into procurement practices which highlighted the need to modify or reinforce internal control processes in a number of areas.

The Panel was informed that, in addition to the changes, a number of initiatives will be introduced - including the training of Managers on procurement practices, the Code of Procurement and the e-marketplace and the development of a new overarching procurement strategy. The new strategy will set out the long term strategic approach to procurement, indicate how the procurement structure will deliver year on year efficiencies and savings and provide greater visibility and understanding of the procurement function.

Furthermore, the Employees' Code of Conduct will be replaced by an Employee Handbook. The handbook will deal with issues relating to the Code of Conduct and will contain a Code of Ethics, incorporating current key values and behaviours and the seven principles of public life. It will include issues relating to procurement and the register of interests as well as addressing general staffing protocols.

Attention was drawn to a prompt payment code administered by the Institute of Credit Management on behalf of the Department for Business Innovation & Skills, where signatories undertake to pay suppliers on time, give clear guidance to suppliers and encourage good practice. In supporting a proposal that the Council sign up to the Code, the Panel

## **RECOMMEND**

**that the Council**

- (a) endorse the revised Code of Procurement;**
- (b) endorse the revised Code of Financial Management;  
and**
- (c) apply to become a signatory to the Prompt Payment Code.**

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### **Matters for Information**

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#### **16. PROGRESS REPORT**

Details of actions taken in response to recent discussions and decisions were noted by the Panel.

#### **17. RISK REGISTER**

Changes made to the Risk Register between the period 6th March to 2nd September 2013 were noted by the Panel.

**18. APPROVAL FOR PUBLICATION OF THE 2012/13 ANNUAL GOVERNANCE STATEMENT AND ANNUAL FINANCIAL REPORT**

The Panel was apprised of the process required to be undertaken prior to the publication of the 2012/13 final accounts. This includes receiving the auditor's report on the audit of the accounts, together with their Letter of Representation, the production of the Annual Governance Statement and the draft Annual Financial Report for the year ended 31st March.

In approving the contents of the Governance Statement, delegated authority has been given to the Executive Leader and Managing Director to sign the Statement on behalf of the Council. At the same time, the Assistant Director, Finance and Resources has been authorised to sign the Letter of Representation.

Having received the Auditor's final changes to the Annual Financial Report, the Panel has approved its contents and has authorised the Chairman of the Panel to sign the accounts on behalf of the Council.

**19. WORK PROGRAMME AND TRAINING**

Members of the Panel have received details of their anticipated work programme over the ensuing year. A presentation is to be held at the start of the next meeting on the District Council's approach to tackling fraud with particular emphasis on the National Fraud Initiative.

E R Butler  
Chairman

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**CORPORATE GOVERNANCE PANEL**

**TERMS OF REFERENCE**

To discharge the functions of the Council in relation to the Corporate Governance of the Council and to be the Council's "Audit" Committee.

It will undertake these functions by supporting the Council and Managing Director through reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements across the following areas:

**GOVERNANCE**

1. Regularly reviewing the Council's Code of Corporate Governance and recommending any changes to the Council.
2. Ensuring that there are systems in place so that all decisions take appropriate account of any significant impact on the Council's system of corporate governance.
3. Approving the annual governance statement and reviewing the achievement of any outstanding improvements.
4. Considering proposals to change the Council's Constitutional arrangements and making appropriate recommendations to the Council.

**RISK MANAGEMENT**

5. Ensuring there are effective arrangements for the management of risk across the Council.

**INTERNAL AUDIT**

6. Ensuring there are effective arrangements for the system of internal audit of the Council including:
  - considering a regular review of its effectiveness
  - reviewing and approving the internal audit charter;
  - approving internal audit plans and receiving reports on progress in delivery.

**EXTERNAL AUDIT**

7. Receiving and considering external audit reports including the adequacy of management response to issues identified.

**FINAL ACCOUNTS**

8. Approving the accounting policies, statement of accounts, and considering any matters arising from the external audit.

## **COMPLAINTS AND FEEDBACK**

9. Determining the Council's customer feedback procedure, monitoring compliance with the procedure, compensatory payments to complainants and formulation of recommendations to the Cabinet or Council on any action to be taken as a consequence;
10. Considering reports by the Local Government Ombudsman, approval of compensatory payments to complainants and formulation of recommendations to the Cabinet or Council on any remedial action to be taken as a consequence.

## **FRAUD AND CORRUPTION**

11. Reviewing and monitoring the policy, procedure and arrangements for investigating disclosures under the Public Interests Disclosure Act 1998 (whistleblowing).
12. Monitoring the Anti-Fraud and Corruption Strategy and receive annual updates on countering fraud.

## **ANNUAL REPORT**

13. Through the Chairman, the Panel will provide the Council with an annual report, timed to support finalisation of the financial statements and the Governance Statement, on how it has discharged its responsibilities.

## **RESOURCES**

The Panel may

14. Request relevant Executive Councillors, Panel Chairmen or Senior Officers to attend Panel meetings in order to assist the Panel in reaching its conclusions.
15. Within budgetary constraints request information or advice from third parties to assist the Panel in reaching its conclusions.

Public  
Key Decision – No

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Improving Internal Controls  
**Meeting/Date:** Corporate Governance Panel – 26 September 2103  
**Executive Portfolio:** Resources, Councillor J A Gray  
**Report by:** Internal Audit Manager  
**Ward(s) affected:** All

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### **Executive Summary:**

A report to the 24 July Panel, explained that following an internal audit review into procurement procedures, there was a need to modify or reinforce internal control processes in a number of areas. The Internal Audit Manager submitted a report to the Chief Officers' Management Team (COMT) on 2 August, that suggested a number of actions to improve internal control. All of the suggested actions were accepted by COMT.

The actions primarily fall across two general headings as shown below:

#### Procurement

- Amending the Code of Procurement (see Appendix 1).
- Increasing the influence of the Procurement Manager.
- Improved reporting of procurement activity to COMT and this Panel.
- Enforcing the use of, and further developing the contracts register, so that it acts as an internal control mechanism.
- Amending the Code of Financial Management (see Appendix 2)
- Signing up to the Prompt Payment Code (see Appendix 3)

#### Employees' Code of Conduct

- Rewrite and re-launch the code of conduct as an employee handbook.
- Introduce a code of ethics that will refer to the seven principles of public life.
- Policies associated with the handbook to be made available in one location.
- Formal 'sign up' to the handbook by all employees.
- All breaches of the handbook will be treated in accordance with the disciplinary procedures.

Changes to the employee handbook will need to be discussed with Staff Council. Changes to the Employees' Code of Conduct, will require the approval of this Panel. It is anticipated the handbook will be in use from April 2014.

### ***Financial implications***

There are no financial implications arising from the report.

**Recommendation(s):**

It is recommended that the Panel:

1. Recommend to the Council that they endorse the revised Code of Procurement as detailed in Appendix 1;
2. Recommend to the Council they endorse the revised Code of Financial Management as detailed in Appendix 2;
3. Recommend to the Council that it applies to become a signatory to the Prompt Payment Code as endorsed by the Department for Business Innovation & Skills; and
4. Note the actions that COMT have agreed with regard to the employees' handbook.

## **1. BACKGROUND TO THE REPORT**

- 1.1 A recent internal audit investigation into procurement practices, highlighted procedural and control weaknesses in application of the Code of Procurement, shortcomings in compliance with the Employees' Code of Conduct and a small number of associated supporting processes.
- 1.2 The Internal Audit Manager submitted a report to the Chief Officers' Management Team (COMT) that suggested a number of actions to improve controls and reduce the likelihood of similar events reoccurring. COMT agreed all of the actions that were proposed.
- 1.3 In order to introduce a number of the actions, changes are required to the Code of Procurement and Code of Financial Management. These changes require the approval of the Panel before they can be considered by Council.

## **2. PROCUREMENT MATTERS**

- 2.1 Three changes are being proposed to the Code of Procurement to deal with the following circumstances:
1. Contractors appearing to have undue and inappropriate influence on the tendering process;
  2. Providing clarity to contractors as to the bid evaluation method that is to be followed; and
  3. Ensuring that Officers do not procure goods or services unless they have undertaken training and have a full understanding of the how the Code of Procurement is to be applied in respect of the procurement activity they wish to undertake.
- 2.2 The changes proposed are set out in full in Appendix 1. The main changes to the Code are contained in paragraph's 1.2, 1.3, 5.9, 6.2, 10.7 and 17.2. Minor consequential changes have been made in paragraph re-numbering and cross referral.
- 2.3 In addition to changes to the Code of Procurement, a number of initiatives are to be introduced.
1. Managers will be required to inform the Procurement Manager of the procurement exercises they intend to undertake. The Procurement Manager will use this information to determine his own work programme and develop reports for submission to COMT and the Panel on the procurement activity.
  2. An overarching procurement strategy will be written. This will, amongst other issues, set out the long term strategic approach to procurement, how the procurement structure will deliver year on year efficiencies and savings, provide greater visibility and understanding of the procurement function and raise overall awareness of the complex regulatory framework in which procurement operates.
  3. The Procurement Manager will continue to provide both general and targeted training to Managers at all levels on procurement practices, the Code of Procurement and the e-marketplace.

4. Changes to the Contracts Register are being investigated to improve controls that deal with the approval of contract terms and conditions. These changes will reduce the likelihood of documents being issued to contractors without being scrutinised and/or approved by either Legal Services or the Procurement Manager.
5. The Council has a target of paying all invoices within 28 days of receipt. Invoices can be paid sooner in urgent cases. The controls that govern the early payment of invoices are to be reviewed to ensure that they are being used properly and only when required. COMT have also agreed that the Council should apply to become a signatory to the Prompt Payment Code (Appendix 3).

### **3. EMPLOYEE HANDBOOK**

- 3.1 The Employees Code of Conduct is to be re-written. An employee handbook will be prepared. The handbook will deal with Code of Conduct matters and contain a Code of Ethics which will cover both the current key values and behaviours and the seven principles of public life (Nolan principles).
- 3.2 The handbook will also reference those related policies and procedures that employees are required to adhere to, e.g. acceptable use of IT resources, data protection/freedom of information, health and safety, as well as new policies, e.g. the use of social media.
- 3.3 Whilst accepting that not all employees have network access, the initial aim is for the handbook to be held and updated electronically. All employees will be required to 'sign up' to the handbook on an annual basis to indicate their acceptance of its contents.

Some employees may be reluctant to 'sign up' in this way; a training/education programme will be delivered to explain the standards of behaviour and conduct that is expected. Breaches of the handbook will be dealt with in accordance with the Disciplinary Policy and Procedure.

### **4. CODE OF FINANCIAL MANAGEMENT**

- 4.1 One of the difficulties experienced during the internal audit review was identifying payments against the correct contract. This caused difficulties with cross checking payments to the Contracts Register.
- 4.2. It has been accepted that the specific Contract Register reference number shall be recorded on all contractual payments, rather than continue with the freeform narrative. This change requires an amendment to be made to paragraph 5.3 of the Code of Financial Management. For ease of reference, this is included at Appendix 2.

### **5. TIMETABLE FOR IMPLEMENTATION**

- 5.1 Any changes to the Code of Procurement and Code of Financial Management will be reported to the Council meeting on 13 November 2013. They will be adopted from that date if approved.

5.2 It is anticipated that the employee handbook will be completed and launched by April 2014.

**6. LIST OF APPENDICES INCLUDED**

Appendix 1 – Code of Procurement

Appendix 2 – Code of Financial Management (extract)

**BACKGROUND PAPERS**

Enhancing Control – Report to COMT, 2 August 2013

**CONTACT OFFICER**

David Harwood. Internal Audit Manager  
Tel No. 01480 388115

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## CODE OF PROCUREMENT

### 1. INTRODUCTION

- 1.1 The Code of Procurement defines the regulatory and legal framework for procurement. It has been adopted in accordance with the requirements of Section 135 (2) of the Local Government Act 1972.
- 1.2 Throughout the Code, reference to Manager shall mean Managing Director, Assistant Director, Head of Service, General Manager, Service Manger or Team Manager as appropriate. A Manager shall be responsible for procuring all goods and services that require the quotation or tender procedures as set out in this Code to be followed.
- 1.3 No Manager shall procure any goods or services valued at £5,000 or more unless they have attended training provided by the Procurement Manager and consider themselves to have such detailed knowledge and understanding of this Code and how it shall be applied in respect of the total value of the procurement being considered.
- 1.4 This Code applies to the procurement, commissioning, hire, rental or lease of -
- a. land and buildings, roads or other infrastructure;
  - b. vehicles or plant;
  - c. equipment, furniture and fittings;
  - d. construction and engineering works;
  - e. information and communication technology - hardware and software;
  - f. goods, materials and services;
  - g. repairs and maintenance;
  - h. consultants, agents and professional services.
- 1.5 This Code does not apply to purchases made from internal management units.
- 1.6 The Code applies also to the sale of assets and goods by the Council where the appropriate Manager estimates that the assets, goods or services to be sold exceed £1000. Where the value is estimated to be less than £1000 then the 'Sale of Equipment' procedures contained within the Inventory procedures shall be followed.
- 1.7 The Council includes the Cabinet, Panels, Committees or other body or person(s) acting in accordance with delegated authority on behalf of the Council.
- 1.8 All procurements or sales made by or on behalf of the Council shall comply with this Code, subject to any overriding requirements of the Council's Rules of Procedure and Code of Financial Management and British or European Union law or regulation.

- 1.9 Throughout the Code, reference to contractor(s) or sub-contractor(s) shall mean any person, company or supplier who has -
- a. requested to be on an approved or ad-hoc approved list of tenderers;
  - b. been approached to provide a quotation or tender;
  - c. provided a quotation or tender; or
  - d. been awarded a contract in accordance with the provisions of this Code.
- 1.10 The Assistant Director (Finance & Resources) shall annually review all the financial values contained in the Code to take account of the impact of inflation. The Assistant Director (Finance & Resources) shall inform all Managers of any amendments to the values prior to the 1st April from which they shall be operative.

## 2. REPORTING PROCEDURES AND EU COMPLIANCE

- 2.1 EU Procurement Directives require the Council, to report procurements likely to exceed EU thresholds, both at the start of the year and on an ad-hoc basis as new or changed requirements arise. The EU thresholds (as at 1 January 2012) are:

Threshold	Supplies	Services	Works
£ Sterling	£ 173,934	£ 173,934	£ 4,348,350
€ Euro	€ 200,000	€ 200,000	€ 5,000,000

### 2.2 Financial Year Start Reporting

No later than the 1 April each year, Managers shall:

- a. provide the following information to the Procurement Manager -
  - i. Details of each contract expected to be advertised in the following year;
  - ii. An estimate of the total value for each discrete procurement area where the spend is likely to exceed £100,000;
- b. advertise very brief details of each contract expected to be advertised in the following year. The advertisement shall take the form of a Prior Indicative Notice (PIN). The publishing of a PIN does not commit the Council, but can reduce timescales if the requirement is subsequently advertised through Official Journal of the European Union (OJEU).

A PIN is also required if the estimate of the aggregated value of the contracts for a given coding class exceeds the published PIN thresholds:

Threshold	Supplies	Services	Works
£ Sterling	£ 653,253	£ 653,253	£ 4,348,350
€ Euro	€ 750,000	€ 750,000	€ 5,000,000

### **Through Year Reporting**

- 2.3 Managers shall report, using a PIN where time permits, new or additional requirements likely to meet or exceed EU thresholds as they arise.

### **End of Year Reporting**

- 2.4 By the 30 April each year, Managers shall provide the Procurement Manager with the following details for contracts placed through OJEU procedures -
- a. Common Procurement Vocabulary (CPV) code. (The CPV is a standardised single classification system for public procurement to identify the subject of a contract and is detailed on the OJEU notice);
  - b. Provider (contractor) Nationality;
  - c. Award Procedure (from the OJEU notice);
  - d. Justifications if Negotiated procedure; and
  - e. Value.

## **3. CONTRACTS REGISTER**

- 3.1 Managers shall keep a record, using the Contracts register, of
- a. all tenders and quotes greater than £5,000;
  - b. the reasons (if appropriate) for not advertising on the Council's 'Latest Opportunities' internet site;
  - c. all those contractors that were requested to quote or tender;
  - d. the reasons why those particular contractors were selected to quote or tender;
  - e. if applicable, the reasons why less than three contractors were selected to quote or tender;
  - f. contract renewal date (if appropriate); and
  - g. file or other reference to the contract and location of the hard copy.

## **4. METHODS OF ORDERING**

- 4.1 All orders shall be placed through one of the following recognised methods:
- a. An order raised on the e-marketplace.
  - b. A procurement card order.
  - c. A manual purchase order.
  - d. A purchase order raised on the financial management system.
- 4.2 Where there is an exception requirement and the relevant Assistant Director or Manager considers that the work is of an emergency nature necessary to

enable the service to continue and none of the ordering methods are suitable, the relevant Assistant Director or Manager shall record the details of the exceptional requirement and the action taken for future audit.

## **5. 'BEST VALUE' AND SOURCING POLICY**

5.1 The Council seeks 'Best Value' in all procurement activity. 'Best Value' being:

- a. The opportunity to obtain leverage (better prices and) for volume.
- b. Regulatory compliance.
- c. Transparent and efficient procurement processes.
- d. Appropriate social, environmental and equality outcomes.
- e. Minimum procurement over.

5.2 Sourcing policy is determined by the needs of 'Best Value' and in order of preference is:

- a. Adopted catalogues or framework contracts

An adopted catalogue or framework is the preferred contract for the Council's business within a defined category (a type or group of goods or service). The Procurement Manager shall make available adopted catalogues or framework contracts on the e-marketplace or publish details of the contract or framework in Procurement Protocols & Guidelines. Managers shall ensure that orders for such categories are placed through the e-marketplace using appropriate 'adopted' catalogue or framework contract. The Procurement Manager shall keep under review the continued suitability of any such catalogues, contracts or framework agreements.

- b. Collaborative procurements with other public bodies or authorities.
- c. Council let corporate contracts.

5.3 Some categories are managed corporately by specialist areas. The Procurement Manager shall provide a list of specialist categories and Managers shall ensure all requirements for such categories are referred to the relevant specialist.

### **Tenders**

5.4 Nothing in this Code shall require tenders to be sought: -

- a. for purchases made from a Purchasing Agent (ESPO, Government Procurement ) where:
  - i. there is a single supplier 'call-off contract' or catalogue created with fixed prices, or
  - ii. the contract is created to our requirements;
- b. for purchases through local authority, government body or agency, police, health or other similar public authority, where the procurement rules of that organisation have been approved by the Procurement

Manager and the contract is created in co-operation, agreed joint requirements or partnership;

- c. for purchases made at public auction;
- d. where the relevant Assistant Director or Manager -
  - i. considers that the work is of an emergency nature or is necessary to enable the service to continue; or
  - ii. with the Assistant Director (Finance & Resources) agreement, considers that it is in the Council's best interest in negotiating a further contract for works, supplies or services of a similar nature with a contractor who is currently undertaking such work.

The relevant Assistant Director or Manager shall report details of all work awarded under 5.4 d above to:

- i. the Head of Legal and Democratic Services who shall make a record in a register kept for that purpose; and
- ii. the next meeting of Cabinet.

5.5 Any procurement estimated to exceed £50,000, which is not covered by the exceptions in paragraph 5.4 above, must be referred to the Procurement Manager before the procurement process is commenced. If a Manager does not wish to accept the Procurement Manager's advice on any significant aspect the matter will be determined by the relevant Assistant Director. The discussion will cover:

- a. Scope and objectives of the procurement;
- b. Budget and costing;
- c. Tender methods;
- d. Product and market information;
- e. Timescales; and
- f. Deliverables.

5.6 Where there is no adopted contract or framework, Managers shall, wherever practicable, seek to maximise contract values with other Managers to secure lower costs. The Council nevertheless wishes to balance the effort of going to the market with the effort and efficiency of the procurement process. Managers after determining the proposed contract's total value shall then follow one of the procurement procedures detailed below. These procedures shall be used in all procurements or sales bar those exceptions at paragraph 5.4.

<b>Estimated Total Value of Procurement</b>	<b>Requirement</b>
Up to £5,000	At least 1 written estimate or offer (e-marketplace, email, web or paper) shall be sought and recorded. Further estimates or offers should be sought where a Manager considers that there is reasonable possibility that this could result in a saving to the Council.
£5,001 to £50,000	At least 3 written quotations or offers shall be invited, unless the Manager has complied in full with paragraph 6.1e of this Code. The Manager will consider whether the nature of the procurement is such that a full competitive tendering would be likely to be beneficial to the Council by reducing cost (by more than the cost of tendering) or risk.
£50,001 to European Union Procurement Threshold	Competitive tenders shall be obtained using one of the tendering options in this Code, and a formal written contract prepared in accordance with paragraph 11.2.
Above the EU Threshold specified below	The appropriate EU procurement directive shall be complied with.

- 5.7 Total value is the cost of all elements of the procurement (e.g. installation, testing, training, maintenance, etc). The Manager shall ensure that a procurement is not split or otherwise disaggregated and may choose to competitively tender requirements less than £50,000;
- 5.8 Achieving 'Best Value' needs valid competition and valid competition is dependent on the existence of an 'open' market with the selected contractors having the interest, capability and capacity for the work or business being offered. Wherever possible a minimum of three competitive tenders or quotations shall be sought. In selecting contractors to provide a tender or quotation Managers shall ensure that wherever possible -
- a. the selection process they are using is fair and equitable, and that no favouritism is shown to any one contractor (e.g. the requirement is not an extract of a contractor's product specification);
  - b. checks are made to ensure that contractors are interested in this type of business;
  - c. repeat or 'automatic' invitations to the 'same' contractor or group of contractors are avoided, particularly where previously invited to bid and had failed to do so;
  - d. 'new' contractors are sought and invited to tender or quote;
  - e. the geographic area of the search for potential contractors is widened; and
  - f. 'no-bids' are checked for the reasons for a contractor's failure to bid.

- 5.9 A Manager shall not invite quotations or tenders from any contractor or sub-contractor who has participated in the preparation of documentation or were involved in other preparatory work for the contract, unless they:
- a. have sent an email to the Head of Legal and Democratic Services clearly setting out the contractor/sub-contractor involvement and expressly stating why this does not constitute an unfair competitive advantage or a conflict of interest; and
  - b. receive an email response from the Head of Legal and Democratic Services that clearly agrees to the inclusion of the contractor/sub-contractor in the quote/tender process.

## 6. TENDER AND FORMAL QUOTATION PROCEDURES

### Tendering and Formal Quotation Options

- 6.1 Managers shall select one of the following procedures. If any alternative procedure is proposed then approval of the Cabinet is required before the proposed procedure is followed.

Option	Requirement
(a) <b>Framework</b>	All contractors on the framework (or lot if split into lots) shall be invited to submit a tender or quotation. No public notice is required and general Terms & Conditions are set in the original framework contract but additional Terms & Conditions specific to the requirement may be permitted. Vetting (paragraph 6.3) is not normally required as the contractor was vetted as part of the original framework competition.
(b) <b>List of Approved Tenderers</b>	Tenders shall be invited from at least three contractors selected from an approved list established in accordance with paragraph 7 of this Code. Vetting (paragraph 6.3) is not normally required as the contractor was vetted to join the list.
(c) <b>Open Tenders</b>	<p>Public notice shall be given in one or more newspapers and/or in an appropriate trade journal. The notice shall state the nature and purpose of the contract, where further information and documentation can be obtained, and state the closing date for the process. Where the Manager is satisfied that Expressions of Interest received from a Contracts Register Notice represent contractors with genuine interest and capacity, then no further public notice is required.</p> <p>An Invitation to Tender (ITT) or Request to Quote (RFQ) is sent to all contractors expressing an interest. All ITTs and RFQs shall include an appropriate questionnaire to permit vetting of contractors in accordance with paragraph 6.3 of this Code.</p>

(d) <b>Restricted Tenders &amp; Quotations</b>	The requirement to advertise is the same as paragraph 6.1 (c) above. ITTs or RFQs are <i>restricted</i> to a shortlist of contractors selected after vetting in accordance with paragraph 6.3 of this Code.
(e) <b>Single Tenders or Quotations</b>	<p>A Manager after consulting the Head of Legal and Democratic Services may obtain a single tender or quotation when:</p> <ol style="list-style-type: none"> <li>a. Prices are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available.</li> <li>b. Work to be executed or goods, services or materials to be supplied consist of repairs to or the supply of parts of existing proprietary machinery, equipment, hardware or plant and the repairs or the supply of parts cannot be carried out practicably by alternative contractors.</li> <li>c. Specialist consultants, agents or professional advisers are required and <ol style="list-style-type: none"> <li>i. there is no satisfactory alternative; or</li> <li>ii. evidence indicates that there is likely to be no genuine competition; or</li> <li>iii. it is in the Council's best interest to engage a particular consultant, agent or adviser.</li> <li>iv. Products are sold at a fixed price, and market conditions make genuine competition impossible</li> </ol> </li> <li>d. The proposed contract shall form part of a serial programme. The contract terms shall be negotiated with a contractor, using as a basis for negotiation the rates and prices contained in an initial contract that was awarded following a competitive tendering process that complied with this Code. No more than two serial contracts shall be negotiated from an initial contract.</li> <li>e. No satisfactory alternative is available. If the single quote/tender option is used, the Manager shall: <ol style="list-style-type: none"> <li>i. seek approval of the Head of Legal and Democratic Services who shall make a record in a register kept for that purpose;</li> <li>ii. retain records that demonstrate that the best price or value for money has been obtained from the negotiations with the contractor.</li> </ol> </li> </ol>



	<p>f. A Manager can approve a single tender for ongoing maintenance of propriety systems provided:</p> <ul style="list-style-type: none"> <li>i. there is evidence that it is a propriety system;</li> <li>ii. the initial contract award was compliant with this Code;</li> <li>iii. the renewal is for a period not greater than 4 years (this is the time interval the EU uses to calculate contract value for ongoing contracts);</li> <li>iv. the ongoing value does not exceed the EU threshold; and</li> <li>v. the direct award is recorded in the single tender register.</li> </ul>
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### **Invitations to Tenders and Requests for Quotations**

6.2 Managers shall ensure that all ITTs and RFQs include:

- a. approved contract terms in accordance with paragraph 11.2 of this Code;
- b. the following statement regarding Freedom of Information Act 2000 compliance:

“All information supplied to the Authority will be subject to the provisions of the Freedom of Information Act 2000 and as such may be disclosed by the Authority when required to do so under the Act. When such disclosure is necessary the Authority shall use reasonable endeavours to consult with the provider of the information prior to disclosure.”

- c. within the tender/quotation document that the contractor or sub-contractor has to submit, a clear statement that explains if the bid is to be evaluated on the basis of lowest price or the most economically advantageous basis.

### **Selection Criteria**

6.3 The selection of contracts and vetting of contractors shall be undertaken in the following manner.

- a. Manager shall undertake sufficient vetting to ensure that all contractors
  - i. comply with minimum standards of Insurance;
  - ii. have the necessary Health & Safety policy and performance and (where applicable) membership of the Contractor's Health and Safety Scheme or equivalent health and safety standard;
  - iii. are financial viable based on a risk based assessment;
  - iv. have an appropriate environmental policy;
  - v. comply with equalities legislation and policy; and
  - vi. possess the experience and capacity required.

- b. The Procurement Manager shall provide an appropriate questionnaire for the purpose of vetting contractors.
- c. Managers wishing to have a Pre-Qualification Questionnaire returned in electronic format (Excel) must tell bidding suppliers to use the designated email address “procsupport@huntingdonshire.gov.uk” and inform the Procurement Manager of the closing date. The Procurement Manager shall forward the Pre-Qualification Questionnaires to the Manager after the closing date.

### **Evaluation Criteria**

- 6.4 Except to the extent that the Cabinet in a particular case or specified categories of contract otherwise decides, all formal quotations or tenders that are being sought shall:
- a. be based on a definite written specification, which shall include environmental performance (where relevant to the requirement) including:
    - i. low energy and water consumption.
    - ii. elimination of substances hazardous to health and the environment.
  - b. include award criteria, which if it is not to be the lowest price, shall be agreed by an Assistant Director or the Managing Director;
  - c. include specific weightings applied to individual award criteria.
  - d. if appropriate, include a requirement for a performance bond and liquidated damages

### **Non-Traditional Procurement**

- 6.5 If a Manager believes that by following one of the procurement procedures detailed in paragraph 5.6 above, that the procurement process will not provide him with the most appropriate method of delivery, the most competitive prices, allow for continuous improvements in delivery, or stifle procurement innovation, then he may suggest alternative procurement strategies.

The Manager shall produce in accordance with guidance issued by the Head of Legal and Democratic Services and prior to proceeding with the procurement, a written procurement strategy that shall be approved by the Assistant Director (Finance & Resources) and the Cabinet.

## **7. LISTS OF APPROVED TENDERERS**

- 7.1 The Council uses two types of list of approved contractors:
- a. Third party vetted lists of contractors that are compiled and maintained by an external organisation. Only external organisations approved by the Head of Legal and Democratic Services, after consultation with the Assistant Director (Finance & Resources) and the other relevant Manager(s) shall be adopted. The Procurement Manager shall ensure that the external organisation and approved list of contractors is detailed in Procurement Protocols & Guidelines.

- b. Ad-hoc list of approved tenderers. If a Manager believes that the approved list of tenders does not allow him to obtain sufficient competition for 'Best Value', the Manager shall write to the Head of Legal and Democratic Services and the Procurement Manager seeking approval to source additional contractors or create an ad-hoc list of approved tenderers.

7.2 Subject to approval as required in paragraph 7.1(b) the Manager shall:

- a. issue a public notice inviting applications for inclusion on a specific approved list for the supply of goods, services or materials.
- b. vet (as detailed at paragraph 6.3) all contractors replying to the public notice or who have requested within the previous 12 months to be considered for work of a similar nature;
- c. only include contractors satisfactorily completing the checks;
- d. ensure the ad-hoc list shall only be used for seeking tenders for the supply of goods, services or materials specifically detailed within the original public notice;

7.3 The Head of Legal and Democratic Services in conjunction with the Assistant Director (Finance & Resources) and relevant Managers shall review the continued suitability of any List of Approved Tenderers periodically and at least prior to the third anniversary of its initial or further adoption.

## **8. SUB-CONTRACTS AND NOMINATED SUPPLIERS**

8.1 Quotations or tenders for sub-contracts to be performed or for goods, services or materials to be supplied by nominated sub-contractors shall be invited in accordance with this Code.

8.2 The relevant Manager is authorised to nominate to a main contractor a sub-contractor whose quotation or tender has been obtained in full accordance with this Code.

## **9. RECEIPT AND OPENING OF TENDERS AND QUOTATIONS**

9.1 Where tenders or quotations are invited in accordance with this Code no tender or quotation will be considered unless -

- a. contained in a plain envelope which shall be securely sealed and shall bear the word "Tender" or "Quotation", the Unique Reference Number (URN) from the Contracts Register followed by the subject to which it relates; or
- b. the tender or quotation has been received via the e-marketplace 'sealed quote' facility; or
- c. it has been sent electronically to a specific e-mail address, which the appropriate Manager shall obtain from the IMD Service Manager.

9.2 Further to paragraph 9.1 above -

- a. the envelope shall not bear any distinguishing matter or mark intended to indicate the identity of the sender. Contractors shall be notified

accordingly. Such envelope shall be addressed impersonally to the Head of Legal and Democratic Services if it contains a "Tender" or the appropriate Manager if it contains a "Quotation"; and

- b. the IMD Service Manager shall ensure that the e-mail address is secure and can only be accessed by the Head of Legal and Democratic Services or officers specifically appointed by him.
- 9.3 All envelopes or e-mails received shall be kept securely and shall not be opened or accessed until the time appointed for their opening.
- 9.4 All tenders or quotations invited in accordance with this Code shall be opened at one time only and by at least two officers -
- a. Tenders shall be opened by officers nominated by the Head of Legal and Democratic Services and by the appropriate Head of Service/Service Manager. The Procurement Manager shall be notified of the time and place appointed for the opening.
  - b. Quotations shall be opened by the appropriate Manager and/or his nominee(s) and one other Officer. The Internal Audit Manager shall be notified of the time and place appointed for the opening.
- 9.5 All tenders or quotations upon opening shall be recorded in writing on either a tender or quotation opening record unless the Contracts Register is being completed contemporaneously. The format of the opening record shall have been previously agreed with the Head of Legal and Democratic Services and Assistant Director (Finance & Resources). The Form of Tender or Quotation and any accompanying documentation shall be marked with the date of opening, and signed by all officers present at the opening. The tender or quotation opening record shall be signed by at least two officers present at the opening and record the method that has been selected to evaluate the bids received. If the Contracts Register has been completed, then all of the required fields will be completed as per the guidance issued by the Procurement Manager.
- 9.6 The original opening record shall be retained by the Head of Legal and Democratic Services in respect of tenders, and the relevant Manager in respect of quotations. A copy of the opening record shall be provided to the Internal Audit Manager.
- 9.7 Any tenders or quotations received after the specified time shall be returned promptly to the contractor by the Head of Legal and Democratic Services or his nominated officer in respect of tenders, or by the appropriate Manager or his nominated officer in respect of a quotation.
- 9.8 Late tenders shall be rejected once any other tender/quotation has been opened. The tender or quotation may be opened to ascertain the name of the contractor but no details of the tender or quotation shall be disclosed.

## **10. ACCEPTANCE OF TENDERS AND QUOTATIONS**

- 10.1 The appropriate Manager shall evaluate all the tenders or quotations received in accordance with the award criteria set out in the bid documentation and shall accept, subject to the provisos set out in this paragraph, either -
- a. the lowest priced tender or quotation; or

- b. the most economically advantageous tender or quotation, as evaluated against the award criteria.
- 10.2 Tenders or quotations exceeding the approved estimate may only be accepted once approval to further expenditure is obtained.
- 10.3 If the lowest priced, or most economically advantageous quotation exceeds £50,000 but -
  - a. is within 15% of the original estimate, the appropriate Manager may accept the quotation without seeking further competition; or
  - b. is in excess of 15% of the original estimate then a competitive tender exercise in accordance with paragraph 6.1 above shall be carried out, unless the appropriate Manager has consulted and obtained the approval of the Head of Legal and Democratic Services, the Procurement Manager and relevant Executive Councillor that the quotation can be accepted.
- 10.4 A tender or quotation shall not be accepted -
  - a. where payment is to be made by the Council and -
    - i. it is not the lowest priced tender or quotation, or
    - ii. the most economically advantageous tender or quotation in accordance with the award criteria set out in the tender or quotation documentation; or
  - b. if payment is to be received by the Council and the tender or quotation is not the highest price or value;
  - c. unless -
    - i. the Cabinet have considered a written report from the appropriate Head of Service/Service Manager, or
    - ii. in cases of urgency, the Head of Legal and Democratic Services has consulted and obtained the approval of the relevant executive councillor. Tenders or quotations accepted in this way shall be reported by the appropriate Manager to the next meeting of the Cabinet.
- 10.5 Where post-tender negotiations have been undertaken in accordance with paragraph 10.6 below, the appropriate Manager shall only accept the lowest priced tender received. A tender other than the lowest shall not be accepted until the Cabinet have considered a written report from the appropriate Head of Service/Service Manager, and recommended acceptance of a tender other than the lowest.

#### **Arithmetical Errors and Post-Tender Negotiations**

- 10.6 Contractors can alter their tenders or quotations after the date specified for their receipt but before the acceptance of the tender or quotation, where examination of the tender or quotation documents reveals arithmetical errors or discrepancies which affect the tender or quotation figure. The contractor shall be given details of all such errors or discrepancies and afforded an opportunity of confirming, amending or withdrawing his offer.

10.7 Post-tender negotiations shall not be used to degrade the original specification unless:

- a. the capital or revenue budget is exceeded; or
- b. other special circumstances exist;

in which case the Head of Legal and Democratic Services and Procurement Manager shall decide which of those contractors who originally submitted a tender or quotation shall be given the opportunity to submit a further bid based upon a degraded specification. This decision shall be recorded in writing.

10.8 In evaluating tenders, the appropriate Manager may invite one or more contractors who have submitted a tender to submit a revised offer following post-tender negotiations.

All post-tender negotiations shall -

- a. only be undertaken where permitted by law and where the appropriate Manager and Head of Legal and Democratic Services and Assistant Director (Financial & Resources) consider additional financial or other benefits may be obtained which over the period of the contract shall exceed the cost of the post-tender negotiation process;
- b. be conducted by a team of officers approved in writing by the Head of Legal and Democratic Services and Assistant Director (Financial & Resources);
- c. be conducted in accordance with guidance issued by the Head of Legal and Democratic Services; and
- d. not disclose commercially sensitive information supplied by other bidders for the contract.

10.9 The appropriate Manager shall ensure that all post-tender negotiation meetings are properly minuted with all savings and benefits offered clearly costed. Following negotiations but before the letting of the contract, amendments to the original tender submitted shall be put in writing by the contractor(s) and shall be signed by him

## **11. TERMS OF BUSINESS AND THE FORM OF CONTRACTS**

11.1 All orders placed by the Council shall be on the Council's Terms and Conditions (T&Cs). Managers shall not use Contractor's documentation to order, acknowledge, instruct to proceed or make any other commitment where the documentation makes any reference to the Contractor's T&Cs. Where a contractor formally insists on trading on T&Cs other than the Council's T&Cs, the Procurement Manager shall be informed, except for -

- a. Any contract where the estimated total value is likely to exceed £50,000, paragraph 11.2 shall apply.
- b. Any framework or contract formally adopted by the Council.
- c. Purchasing Agency (e.g. ESPO, Government Procurement) arranged contracts and orders.

- d. Orders of a total value of less than £ 5,000 where the goods or service are purchased on a 'retail' basis on terms available to the general public.
  - e. Orders for software where the licence is for 'standard' product but not where customisation, development or on-site service is required for the 'standard' product.
- 11.2 Every contract that exceeds £50,000 in value shall be in writing in a form approved by the Head of Legal and Democratic Services who shall also determine the format of any contract for a lesser value. Managers shall ensure that advice of the Head of Legal and Democratic Services is sought at a stage as early as practicable (normally before the issue of an Invitation to Tender).
- 11.3 In the case of any contract for the execution of works or for the supply of goods, services or materials, the Manager after consulting with the Assistant Director (Finance & Resources) and the Head of Legal and Democratic Services shall consider whether the Council should require security for its due performance and shall either certify that no such security is necessary or shall specify in the specification of tender the nature and amount of the security to be given. In the latter event, the Council shall require and take a bond or other sufficient security for the due performance of the contract.
- 11.4 Managers shall produce the final version of all contracts in 2 copies and present both to the Authorised Officer for signature. Once signed by the contractor, the signed contract, all original documents, including specifications, drawings, tender documents and correspondence relating to a contract exceeding a total value of £50,000 shall be forwarded by the Head of Legal and Democratic Services. Where the total value of the contract is less than £50,000 the relevant Manager shall make arrangements for the retention of all the original documentation.
- 11.5 Managers shall maintain a record (in the form detailed in the Procurement Protocols & Guidance) for their area of each contract or agreement (both written and verbal agreements).
- 11.6 Managers shall include the specific T&Cs listed in the Procurement Protocols & Guidance in all contracts. Where a Manager considers a term or condition inappropriate they shall seek advice of the Head of Legal and Democratic Services on the modification or deletion of the term or condition.

## **12. LETTERS OF INTENT**

- 12.1 Letters of intent provide a contractor with the authority to proceed prior to the award of a contract. However, letters of intent have two main disadvantages:-
- a. if the contract is not awarded the contractor is entitled to payment regardless as to whether the work was actually needed;
  - b. the Council's negotiating position is weakened as the contractor may believe actual award of contract is a formality and therefore, the contractor may refuse to accept conditions that are seen as disadvantageous.

- 12.2 Managers shall ensure that:-
- a. all letters of intent are in a form approved by Head of Legal and Democratic Services; and
  - b. all letters of intent are signed by an Authorised Officer with sufficient authority for either the value of the intended contract or the estimated value of any 'extension' period defined in the letter of intent.

### **13. POST-TENDER DEBRIEFS**

- 13.1 For all contracts greater than £5,000 Managers shall maintain records of selection and evaluation scoring and where requested by participating suppliers, provide a suitable post-tender debrief. For contracts greater than £50,000, the advice of the Procurement Manager shall be sought on the format and scope of the debrief

### **14. LOCAL GOVERNMENT ACT – COMMUNITY RIGHT TO CHALLENGE**

- 14.1 The Local Government act permits relevant bodies (charities, community bodies, town & parish councils and staff) to submit Expressions of Interest to provide Council services. The Procurement Manager shall maintain and publish a timetable for the submission of Expressions of Interest. All Expressions of Interest received from relevant bodies should be forwarded to the Information and Research Officer.

### **15. RETENTION OF DOCUMENTS**

- 15.1 Managers shall ensure that every contract or quotation is assigned the Unique Reference Number (URN) from the Contract Register, which is to be used in all correspondence. Any Division or reference may be included in addition to the URN shall comprise abbreviation for the Division and year. Formal amendments to a contract or order should also be given unique numbers showing the order in Which the amendments were made.
- 15.2 Documentation retention periods are dictated by the Statute of Limitations and (where applicable) EU requirements. The following rules apply:-
- a. retention for 12 years from the date of completion of the contract for contracts made under deed;
  - b. retention for 6 years from the date of completion of the contract:-
    - i. Contract Documents
    - ii. Hire/Rental Agreements
    - iii. Successful Tenders
    - iv. Summary of Tender Opening
    - v. Disposal Board papers
    - vi. All selection and evaluation scoring and reports
    - vii. Goods Received Notes
    - viii. HM Customs and Excise Import documentation
    - ix. Invitations to Tender/Quotation Requests
    - x. Maintenance/Software licence agreements
    - xi. Specifications
    - xii. Successful Quotations
    - xiii. Suppliers' Advice Notes;



- c. retention for 3 years after the last entry:-
  - i. Stock and Purchase Record Cards or Registers
- d. retention for 2 years after the financial year to which the document relates:-
  - i. Unsuccessful Quotations.
  - ii. Unsuccessful Tenders.

## **16. FREEDOM OF INFORMATION ACT 2000 (FOIA)**

- 16.1 Managers shall ensure that the handling of requests for procurement information complies with the detailed guidance published as Procurement Protocols & Procedures and the general FOIA guidance published by the Council's Freedom of Information Officer.

## **17. CONSULTANTS**

- 17.1 It shall be a condition of the engagement of any consultant, agent or professional adviser who is to be responsible to the Council for the management or supervision of a contract on its behalf, that in relation to that contract he shall -
  - a. comply with this Code as though he were an employee of the Council;
  - b. at any time during the carrying out of the contract produce to the appropriate Manager, on request, all the records maintained by him in relation to the contract; and
  - c. on completion of the contract transmit all records that he has produced or received that relate to the contract to the appropriate Manager.
- 17.2 The Manager responsible for appointing any consultant, agent or professional adviser under paragraph 17.1 shall provide them with a copy of this Code.

## **18. PROCUREMENT TRAINING**

- 18.1 The Procurement Manger shall create, maintain and arrange the delivery of training for Officers undertaking procurement duties.
- 18.2 Managers shall ensure that all Officers undertaking purchasing or procurement duties where the gross value of the procurement is £5000 or more shall have undertaken appropriate training.
- 18.3 LGSS HR and Payroll Services shall arrange to record the details of staff that have completed suitable procurement training.

End of Code.

**CODE OF FINANCIAL MANAGEMENT  
PROPOSED CHANGES**

**5.3 Records**

Each Budget Manager is responsible for maintaining records of financial transactions and commitments and employee time, in forms agreed with the Head of Financial Services, and for ensuring that all financial transactions are properly recorded in the appropriate financial period and to an appropriate account within the Council's Financial Management System.

In respect of all contractual payments where the contract was required to be recorded on the Contracts Register in accordance with paragraph 3.1 of the Code of Procurement, the Budget Manager shall ensure that all invoices or payment records authorised for payment shall include in the 'Our Reference' field in Council's Financial Management System (e-financials), the unique Contract Register reference. This number shall be in the same format/style as allocated by the Contract Register.

End of changes proposed.

## PROMPT PAYMENT CODE

The prompt payment code is administered by the Institute of Credit Management on behalf of the Department for Business Innovation & Skills.

Code signatories undertake to:

### **Pay suppliers on time**

- within the terms agreed at the outset of the contract
- without attempting to change payment terms retrospectively
- without changing practice on length of payment for smaller companies on unreasonable grounds

### **Give clear guidance to suppliers**

- providing suppliers with clear and easily accessible guidance on payment procedures
- ensuring there is a system for dealing with complaints and disputes which is communicated to suppliers
- advising them promptly if there is any reason why an invoice will not be paid to the agreed terms

### **Encourage good practice**

- by requesting that lead suppliers encourage adoption of the code throughout their own supply chains

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# **Corporate Governance Panel**

## **Chairman's Annual Report**

**for the year ending 30 September 2013**

Pathfinder House  
St Mary's Street  
Huntingdon  
PE29 3TN

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## **INTRODUCTION BY THE CHAIRMAN OF THE CORPORATE GOVERNANCE PANEL**

*This is my third annual report to Council on the work of the Corporate Governance Panel.*

*As you will be aware, my two previous reports have been delivered through a personal address, with a short supporting paper being published on the Council's intranet. I, along with the rest of the Panel, believe that it is now more appropriate that a formal written report is submitted for the Council's consideration.*

*This report therefore provides a summary of the key issues considered by the Panel during the year ending September 2013.*

*Whilst the Council's financial statements are prepared for the year ending March, the key assurance that the Panel provides to the Council is via the Annual Governance Statement. This Statement has to reflect the governance position of the Council as at the date it was approved, which was September 2013.*

*I would like to thank all the Members who served on the Panel during the year and those Officers who have supported the work of the Panel.*

*Councillor Eric Butler,  
Chairman, Corporate Governance Panel  
October 2013*

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## **TERMS OF REFERENCE**

The Panel's terms of reference require it to discharge the functions of the Council in relation to the corporate governance of the Council.

The terms of reference in place for the year ending September 2013 are attached at Appendix A and cover the following areas:

- Reviewing the Council's constitution and Code of Corporate Governance
- Approving the annual governance statement and statement of accounts
- Considering the effectiveness of risk management arrangements
- Internal and external audit activities, including annual reports and the external auditors 'charged with governance' report
- Anti-fraud and whistleblowing arrangements
- Feedback and complaints

Terms of reference are reviewed annually by the Panel and amendments are being submitted to the November 2013 Council meeting for consideration and approval.

Since its formation in 2004 the Panel has met four times a year. Due to the increasing workload of the Panel, the Panel agreed during the year that it would meet six times in each municipal year.

## **EFFECTIVENESS**

An effective Corporate Governance Panel can bring many benefits, including:

- raising greater awareness of the need for internal control and the implementation of agreed audit recommendations;
- increasing public confidence in the objectivity and fairness of financial and other reporting;
- reinforcing the importance and independence of internal and external audit and other similar review process; and
- providing additional assurance through a process of independent and objective review.

The Panel's work activities have been designed so that they not only provide assurance to the Council and meet the terms of reference, but also allow for the Panel to make a positive contribution towards maintaining good governance practices across the Council.

A brief outline of the business conducted by the Panel is listed below.

DECEMBER 2012	MARCH 2013	MAY 2013	JULY 2013	SEPTEMBER 2013
Consider External Auditors 2011/12 ISA 260 report	Note progress on issues from 2011/12 AGS	Note outcome of effectiveness review of Overview & Scrutiny Panels	Public engagement: filming/recording at Council meetings	Approve the 2012/13 annual governance statement
Considered External Auditors Annual Audit Letters for 2010/11 and 2011/12	Approve changes to Constitution. Endorse employee consultation arrangements		Consider Internal Audit annual report and opinion, Year June 2013	Consider External Auditors 2012/13 'report to those charged with governance' and action plans
Review delivery of Internal Audit plan	Review External Audit plan for 2012/13 and 2011/12 grant certification		Note internal audit review of appointment of professional advisors	Approve the 2012/13 statement of accounts
Approve expansion of benefit fraud teams work into non welfare areas	Note the progress in introducing external audit recommendations		Approve changes to regulation of investigatory powers polices	Approve changes to the Code of Procurement and within other internal control processes.
	Approve Internal Audit plan 2013/14 and Internal Audit Charter			Review the risk register and management of risks
	Review the risk register and management of risks			
<b>Review annual reports</b>				
<ul style="list-style-type: none"> <li>• Corporate Business Continuity</li> <li>• Benefit Fraud Investigation Team &amp; whistleblowing</li> <li>• Risk management strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Council's Single Equality Scheme &amp; Equality Impact Assessment</li> <li>• Accounting policies</li> </ul>	<ul style="list-style-type: none"> <li>• Effectiveness of the internal audit service</li> </ul>	<ul style="list-style-type: none"> <li>• Complaints and decisions of Local Government Ombudsman</li> </ul>	<ul style="list-style-type: none"> <li>• Effectiveness review of the Corporate Governance Panel</li> </ul>

## HOW EFFECTIVE IS THE PANEL?

The Panel regularly undertakes a formal review of its own effectiveness. The last review was completed in September 2013. The Panel concluded that they were generally acting effectively and fulfilling their terms of reference. The following opportunities to further improve effectiveness were identified:

- The Panel should have the opportunity to meet informally with internal and/or external audit;
- The Internal Audit Manager to explain to the Panel the terminology associated with individual/annual audit assurance opinions and risk register control assurance statements;
- Internal audit reports should be circulated to Panel members quarterly; and
- Members of the Panel should complete a skills assessment to identify training needs.

Whilst the self assessment reviews are rigorous and thorough, an externally led assessment has the potential to challenge and question working practices. The Panel has considered commissioning an external review for 2014. Informal market testing indicated that the cost of such a review would be in the region of £5,000. The Panel did not consider that such an investment could be warranted at this time and agreed that the self assessment process would continue.

Whilst the earlier table details the areas considered by the Panel, the significant issues of note are summarised in the following paragraphs.

### **Reviewing the overall governance of the Council and approving the statutory annual governance statement**

The Panel continued to take a pro-active role in reviewing the Code of Corporate Governance. A number of informal meetings were held between the Panel and Officer's at which the evidence that supports the Code's key aims and principles was reviewed and challenged. This approach is in line with best practice and ensures that any significant issues for inclusion in the annual governance statement are agreed with the Panel before the first draft of the statement is prepared.

Guidance<sup>1</sup> issued in December 2012 removed the requirement for the annual governance statement to be prepared in a standard format. The guidance suggested that the statement should be a more meaningful document for both Members of the Council and the public. Panel took advantage of this change and prepared a statement that was at a higher level, strategic and written in an open and more readable style. The external auditor has commented that the "the style [of the statement] has been amended in the current year, which in our opinion provides a more comprehensive and concise review of governance for its users".

In support of this more open approach, Panel also decided that, for the first time, the evidence that supports the Code of Corporate Governance should be published on the Council's internet pages.

The Panel also noted the progress that had been made in delivering five of the six significant governance issues identified in the 2011/12 annual governance statement. Work is continuing on the one remaining item – the review of pay systems, and consequently this item has been included as a significant issue in the 2012/13 statement.

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<sup>1</sup> CIPFA/SOLACE: Delivering Good Governance in Local Government Framework: Addendum

## **Annual Financial Statements**

Due to the delays in completing the external audit of the 2010/11 and 2011/12 financial statements, the annual external audit and inspection letters were not received by the Panel until December 2012. Panel were informed of the action taken to implement the external auditors recommendations arising from the 2010/11 and 2011/12 audit of the financial statements and the significant progress achieved to improve the process for the production for the 2012/13 financial statements.

The 2012/13 financial statements were externally audited and approved prior to the statutory deadline of 30 September 2013. The external auditors issued both an unqualified value for money and financial statement opinion.

The Panel also considered the work that the external auditor performed upon grant claims. Panel were concerned about the additional costs incurred as a result of non-consequential errors in the claims submitted and asked the Assistant Director (Finance and Resources) to write to the Department of Communities and Local Government, the Department of Works and Pensions and the Audit Commission, to express their concerns over the cost to the authority of auditing benefit claims and requesting that the criteria for taking a second sample be adjusted to only require this if the errors in the previous round of sampling are significant. The response received to that letter, effectively says that no changes to the grant claim process are being considered.

In March 2013 the Panel approved changes to accounting policies.

## **Public Sector Internal Audit Standards**

New internal audit standards came into effect in April 2013 for all public sector organisations.

The Standards did not require major changes to be made to internal audits day to day operations. They did however place greater 'functional' reporting responsibilities upon the Panel. In the past the Panel received a number of reports that contained information about internal audit on an 'information basis' only, these now need to be approved formerly by the Panel, for example:

- Approving the internal audit charter
- Approving the risk based internal audit plan.
- Approving the internal audit budget and resource plan.
- Decisions regarding the appointment and removal of the Internal Audit Manager and their remuneration.

The Panel also approved a new Internal Audit Charter which included a definition of internal auditing and sets out internal audits role and responsibilities.

One of the key assurance providers to the Panel is the internal audit service. The Internal Audit Manager undertook, and reported the results of a self assessment against the new Standards to the Panel in May 2013. Whilst the service was found to generally conform with the Standards there were a number of areas where opportunities for improvement were identified. Action plans to deal with these areas were agreed.

## **Internal audit plan and annual opinion**

The Panel approved the internal audit work plan for 2013/14 in March 2013.

In July 2013 the Panel received the Internal Audit Manager's annual report and opinion on the overall adequacy and effectiveness of the Council's internal control and governance processes. He concluded that the Council's internal control environment and systems of internal control as at June 2013 provided 'limited' assurance over key business processes and financial systems, a downturn on the previous classification of 'adequate'.

The Panel were disappointed that a number of audited systems resulted in audit reports being issued that included either 'no' or 'limited' assurance opinions. Having taken on board these concerns, the Managing Director has introduced a process whereby the relevant Head of Service has to explain what action is being taken to improve controls and raise the overall level of assurance. It is expected that this process will also ensure that agreed internal audit actions are introduced on time.

The Panel also expressed concern about the continued lack of compliance with the Code of Procurement in some service areas. The Panel asked for regular updates from the Chief Officers' Management Team on compliance with the Code and that regular training on the Code and the Employee's Code of Conduct be provided to Officers. The Panel also approved a number of changes to the Code of Procurement, to further improve control. These changes are to be considered by the Council in November 2013.

## **Countering fraud and the work of the Corporate Fraud Team**

In June 2012 the Panel received a report that detailed the potential fraud being committed against the Council as per estimated figures provided by the National Fraud Authority. The Panel were also informed that the Single Fraud Investigation Service (SFIS), led by the Dept for Work and Pensions, was likely to be operational during 2015. The Panel established a sub-group to assist in their understanding of fraud risk and its implications.

The sub-group reported back to the Panel in December 2012. The Panel agreed that the opportunity should be taken to investigate fraud in non-welfare areas so that the impact of the SFIS from 2015 onwards, upon both welfare and non-welfare fraud investigations, could be determined.

The sub-group continues to meet and a report is due to be presented to the Panel in September 2014 outlining non-welfare fraud and proposals for the fraud service from 2015 onwards.

The Corporate Fraud Team has, since 2010, been using data held by the Council to assist in the identification of fraud and error and the recovery of debts. Since 2010 over 200 discrepancies have been identified from the use of these data-warehousing techniques and over £250,000 in financial fraud and error has been identified and 22 social housing properties recovered. Debt collection rates on historic debt have risen from 22% to 38% per annum.

In early 2013 the Council received funding from both the Local Government Association and the Department for Communities and Local Government to establish a County wide fraud-hub based upon the data-warehousing principles. This initiative

has been supported by the Panel and has already uncovered additional fraud and error.

In December 2012, the Panel reviewed the Council's whistleblowing policy and guidance to ensure it remains fit for purpose.

### **Reviewing the Constitution**

The Panel is responsible for reviewing proposed changes to the Constitution and taking forward formal recommendations to the Council.

Proposals were considered in March 2013 on:

- changes to the employee consultation procedures;
- various issues regarding conduct of meeting, voting at meeting and substitute appointments;
- the delegation of employment matters to the Head of Paid Service; and
- changes to the Code of Financial Management and Code of Procurement

In July 2013, following the issuing of guidance<sup>2</sup> by the DCLG in the previous month, the Panel considered variations to the constitution in relation to photography, broadcasting or recording of meetings.

### **The management of risk**

The Panel currently has responsibility within its terms of reference for approving the risk management strategy. The strategy was reviewed and approved in December 2012. The Panel considers that robust risk management policies are in place and that they were performing efficiently and so support both the annual governance and statutory reporting processes.

The strategy includes a definition of the Council's risk appetite. With the likelihood that new service initiatives/developments will be introduced across all service areas to deal with the current financial pressures, the Panel consider that the setting of the risk appetite and overall risk strategy should become the responsibility of the Cabinet. A recommendation along these lines is to be discussed at the November 2013 Council.

The Panel also received reports in March and September 2013 that detailed the changes to the risk register in the previous six month periods and the level of assurance that management were providing on the operation of controls that mitigated inherent risks.

### **Feedback and Complaints**

In July 2013 the Panel considered a report that summarised both internal **complaints** and a summary of complaints that had been determined by the Local Government Ombudsman in 2012/13. The Panel noted that nine complaints had been determined by the Ombudsman during the period, with no evidence of maladministration being found in eight of the nine cases.

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<sup>2</sup> Your Council's Cabinet – going to meetings, see how it works – a guide for local people.

The areas referred to above deal with the core business of the Panel. A number of reports and other issues were also considered during the year that had a direct impact upon governance systems and processes across the Council. These included:

**Corporate business continuity plan** and the associated business continuity management systems. Panel has asked that they receive an annual update report on this area.

The delivery of the **corporate guide to managing projects**. The guidance in place is out of date and needs to be reviewed and re-launched. The Panel are aware that effective project management is key to delivering projects that are on time and within budget and which provide effective solutions.

An update on progress with the achievement of the Council's **Single Equality Scheme** and the findings from the Equality Impact Assessment conducted during 2012.

Approving changes to the **Regulation of Investigatory Powers Act 2000** policy and procedure statements that deal with covert surveillance and communications. Amendments to the policy and procedure are generally only required to reflect legislative changes. The Panel therefore delegated to the Head of Legal and Democratic Services authorisation to make any future amendments to the policies after consultation with the Chairman of the Corporate Governance Panel.

Due to the benefits that the Panel felt that they had gained from conducting regular reviews of their own effectiveness, they requested that **effectiveness reviews** of all other Panels and Committees be undertaken. The first such review was completed on the three **Overview & Scrutiny Panels** in May 2013. The Panel noted that the three Panels were generally acting effectively. A number of changes were introduced as a result of the review, the most noticeable being the amended reporting format.

## FUTURE DEVELOPMENTS

The Panel wish to continue to build upon the solid governance processes and procedures that are in place across the Council. Developments that are being planned include:

- Introducing an employee handbook that will incorporate the current employees code of conduct and a new code of ethics;
- Introducing an assurance framework to improve the information gathering process for the annual governance statement;
- Fraud e-learning course to be made available to all employees;
- An effectiveness review of the Licensing and Protection Panel and supporting committees; and
- Commissioning an independent external review/assessment of the internal audit service against the new internal audit standards.

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**Corporate Governance Panel**

**Terms of Reference  
as approved by Council 25 April 2012**

**To discharge the functions of the Council in relation to the Corporate Governance of the Council and to be the Council's "Audit" Committee.**

These responsibilities include:

**GOVERNANCE**

1. Regularly reviewing the Council's Code of Corporate Governance and recommending any changes to the Council.
2. Ensuring that there are systems in place so that all decisions take appropriate account of any significant impact on the Council's system of corporate governance.
3. Approving the annual governance statement and reviewing the achievement of any outstanding improvements.
4. Considering proposals to change the Council's Constitutional arrangements and making appropriate recommendations to the Council.

**RISK MANAGEMENT**

5. Ensuring there are effective arrangements for the management of risk across the Council, including approving the risk management strategy and risk appetite.

**INTERNAL AUDIT**

6. Ensuring there are effective arrangements for the system of internal audit of the Council including:
  - considering a regular review of its effectiveness
  - reviewing and approving internal audit's terms of reference and strategy
  - commenting on internal audit plans and receiving reports on progress in delivery;

**EXTERNAL AUDIT**

7. Receiving and considering external audit reports

**FINAL ACCOUNTS**

8. Approving the Council's statement of accounts, and considering any matters arising from the audit.

**COMPLAINTS AND FEEDBACK**

9. Customer feedback procedure, monitoring compliance with the procedure, compensatory payments to complainants and formulation of recommendations to the Cabinet or Council on any action to be taken as a consequence;

10. Considering reports by the Local Government Ombudsman, approval of compensatory payments to complainants and formulation of recommendations to the Cabinet or Council on any remedial action to be taken as a consequence.

#### **FRAUD AND CORRUPTION**

11. Reviewing and monitoring the policy, and procedure for disclosures of information under the Public Interests Disclosure Act 1989 (whistleblowing).
12. Monitoring the Anti-Fraud and Corruption Strategy and receive annual updates on countering fraud.

#### **RESOURCES**

13. The Panel may request relevant Executive Councillors, Panel Chairmen or Managing Directors and Heads of Service to attend Panel meetings in order to assist the Panel in reaching its conclusions.
14. Within budgetary constraints request information or advice from third parties to assist the Panel in reaching its conclusions.