

## AUDIT COMMITTEE

MONDAY 17 OCTOBER 2022

6.00 PM

Council Chamber - Town Hall

**THE CHAIRMAN WILL ASSUME THAT MEMBERS HAVE READ THEIR PAPERS PRIOR TO THE MEETING TO AVOID UNNECESSARY INTRODUCTIONS TO REPORTS. IF ANY QUESTIONS ARE APPARENT FROM THE REPORTS THEY SHOULD BE PASSED TO THE REPORT AUTHOR PRIOR TO THE MEETING**

## AGENDA

Page No

1. Apologies for Absence

2. Declarations of Interest

At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests or is a "pending notification " that has been disclosed to the Head of Legal Services.

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### INFORMATION AND OTHER ITEMS

10. Use of Regulation of Investigatory Powers Act 2000 (RIPA)

To note there have been no updates since the last meeting on 25 July 2022.

## 11. Approved Write-Offs Exceeding £10,000

To note there have been no write-offs since the last meeting on 25 July 2022.

## 12. Work Programme

179 - 202



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#### Committee Members:

Councillors: I Ali (Vice Chair), Haseeb, J Allen, N Sandford, S Nawaz, Rangzeb and Perkins

Substitutes: Councillors: Burbage, Jones and Hogg

Co-opted Members: Chris Brooks (Chair), Mike Langhorn, Stuart Green

Further information about this meeting can be obtained from Daniel Kalley on telephone 01733 296334 or by email – [daniel.kalley@peterborough.gov.uk](mailto:daniel.kalley@peterborough.gov.uk)

**MINUTES OF THE AUDIT COMMITTEE MEETING  
HELD AT 6PM, ON  
25 JULY 2022  
COUNCIL CHAMBER, TOWN HALL, PETERBOROUGH**

**Committee Members Present:** Councillors Jackie Allen, Haseeb, Iqbal, Sharp and Sandford

Co-Opted Members: Chris Brooks (Chair), Mike Langhorn

**Officers Present:** Cecilie Booth, Corporate Director Resources – S151 Officer  
Sue Addison, Insurance Manager  
Kirsty Nutton, Deputy S151 Officer  
Steve Crabtree, Chief Internal Auditor  
Dan Kalley, Senior Democratic Services Officer  
Fiona McMillan, Director of Law and Governance and Monitoring Officer

**Also Present:** Neil Harris, Associate Partner, Ernst&Young (EY)

**10. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Shaz Nawaz, Rangzeb and Imtiaz Ali. Councillor Iqbal and Councillor Sharp attended as substitutes.

Apologies were also received from Dr Stuart Green – Independent Co-opted member

**11. DECLARATIONS OF INTEREST**

Councillor Sandford declared an interest in item 15 - Decisions of Shareholder Cabinet Committee by virtue of being a trustee of one of the mayor's charities.

**12. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 21 MARCH 2022**

The minutes of the meeting held on 20 June 2022 were agreed as a true and accurate record.

**ACTIONS:**

A separate agenda item for actions arising from the previous meetings was to be created.  
- Dan Kalley by 12 September 2022

**13. ANNUAL REPORT: INSURANCE**

The Audit Committee received a scheduled report on the provision of Insurance Services to Peterborough City Council and other third parties

The purpose of the report was to inform the Audit Committee of the work carried out during the past year to provide an effective insurance function which provides cover for all aspects of the Council whilst minimising the cost.

The report was introduced by the Chief Internal Auditor and set out the work undertaken in the last 12 months and trends from previous years. The report also set out the level of claims made in the past year. The Council had external insurance provided by Zurich, this contract was going out for re-tender later in the year and would be in place by January next year. Members were informed the Council had a separate insurance fund, which was being looked at to try and reduce future insurance claims by targeted expenditure. A three-year actuary review had identified further savings for the Council. Members were informed that there had been a spike in flooding and fire claims, however the claims had been steady with regards to highways claims. A full impact on the effect of Covid was still in the processes of being completed.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- With regards to claims that trees had caused considerable damage to properties, the legal position was for the Council to prove on the balance of probabilities that the tree was the cause of the damage. In terms of Bretton Oak tree this would have cost the Council large sums of money to keep.
- There had been no cases that had gone to court with regards to the removal of trees. Experts reviewed all evidence before taking a position as to whether to fell any tree.
- Some members felt that insurance and insurance fund work should follow the same path as risk management and that this would sit better outside the remit of Internal Audit.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to receive, consider and endorse the attached annual report on the provision of the Insurance Service during 2021 / 2022.

The reporting line for the Insurance team to be reviewed in the light of the changes to the responsibility for Risk Management – Steve Crabtree/Cecilie Booth by 28 November 2022

#### 14. **ANNUAL REPORT: INVESTIGATIONS**

The Audit Committee received a scheduled report on fraud and irregularity

The purpose of the report was to inform the Audit Committee of the work carried out during the past year to minimise the risk of fraud, bribery and corruption occurring in the Council.

The Chief Internal Auditor introduced the report and stated that sets out work done by the investigations team during the year. A number of policies had been updated across the Council, this included looking at the whistle blowing policy and anti-fraud strategy. The National Fraud Initiative (NFI) was one of the biggest activities that the Council undertook, A report was presented to Committee in February that outlined the findings from the NFI. The single person council tax discount was presented as part of the report on an annual basis, there were over 26,000 people in Peterborough who were eligible to claim single person discount, the team investigated the claims made to identify any potential fraudulent claims, this was done by checking other records the Council held such as the electoral roll.

During the year there were business grants that came through following Covid support, these were sent off as part of the NFI and results had come back showing that there was

a high level of accuracy in the reporting. Of 1200 cases identified only three / four resulted in a formal review of the award. The report also covered Stage 2 complaints raised by individuals across Peterborough. There had also been some disciplinaries and grievances from staff which had come through from HR (Human Resources).

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- There was a suggestion that for future reports facts and figures were included so that the committee could satisfy themselves that the evidence for the work being done was being carried out.
- Councillors were permitted to submit complaints on behalf of residents. The issues raised by members would be checked with the complaints team to understand what had happened.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to receive, consider and endorse the attached annual report on the investigation of fraud during 2021 / 2022.

#### **ACTIONS:**

1. Any future reports needed to include figures so that the committee could see the hard facts and evidence and advise accordingly. - Steve Crabtree by July 2023
2. Issue around Councillor's making a complaint on behalf of residents to be investigated further. - Fiona McMillan/Steve Crabtree by 12 September 2022

#### **15. ANNUAL INTERNAL AUDIT OPINION 2021/2022**

The Audit Committee received a report in relation to the Annual Internal Audit Opinion 2021/22

The purpose of the report was to provide an overall opinion on the soundness of the control environment in place to minimise risk to the Council. It is based on the findings of completed audits and activities undertaken by the Internal Audit Team during 2021 / 2022

The report was introduced by the Chief Internal Auditor and set out the Councils overarching approach into internal audit activity. Members were informed that based on the work done reasonable assurances were given on the controls in place within the Council and the team had delivered sufficient coverage which was reflected in the draft annual governance statement. The appendices to the report showed how the team arrived at their opinions. Members were assured that the internal audit team focused on those areas that were of the greatest risk to the Council. If there were any areas that were not given reasonable assurance or limited assurance this would be flagged as part of the draft annual governance statement.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Future reports needed to show the split between outstanding recommendations which were relevant and which were no longer relevant.
- The energy management audit related to the energy management of the buildings owned by the Council. NPS (Norse Property Services) were the organisation who looked after the energy consumption of the buildings. Any reviews into this were purely financial when looking at this from an internal audit viewpoint. If some of the recommendations had not been implemented officers would then chase this up with the relevant directors for each service area.

- The team had undertaken more work over the past year than what was anticipated. This would be as a result of lower levels of sickness or training than anticipated as well as additional hours undertaken. Members were also informed that the plan was fluid and changed throughout the year depending on whether something came up that was of importance.
- Although the Audit Plan was clear on its conclusions based on its own works, Members considered there was a lack of qualitative data and opinions in the report. There was not enough being adequately reflected on in the report for example the report did not mention the Council being close to being in special measures, or that the statement of accounts had not yet been signed off. The team would be aware of the Council's Improvement Plan and this should have been built into the conclusion from internal audit. It was important that these issues were reflected in the annual governance statement. If these elements were included in the report, then the Audit Committee would then be in a position to offer more value to the Council and its processes and procedures.
- The internal auditing standards required that the Chief Internal Audit consider qualitative data when forming the annual audit plan. It was important that people saw those issues affecting the Council were being recognised by the internal audit team.
- Officers were aware of the pressures placed on internal audit, it was important that the team were given more scope and time to complete more audits that had an impact on the Council.
- Members were informed that the internal audit plan followed a prescribed format and formed conclusions based on that format. It was a small element of the work of the Council overall. If the report were to cover a larger scale of work this would be more appropriate as a report on the activities of the Council as a whole. Officers took the comments made by members and there were areas that could be enhanced, for example signposting people to other areas that were of interest of reflected issues within the Council.
- It was important to take on board feedback and the team were looking at ways of changing their focus over time.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to receive, consider, provide challenge to, and endorse the attached Chief Internal Auditor's annual report for the year ended 31 March 2022.

## **AGREED ACTIONS**

1. Officers to investigate potential to add in more qualitative data into the annual governance statement to form a more rounded conclusion on the Council's financial position – Steve Crabtree by 30 January 2023
2. Head of Internal Audit to review the approach to incorporating assurance from other sources as well as internal audit work when arriving at the Annual Audit Opinion including reflecting in his overall opinion known issues and other challenges to the adequacy of the council's governance, risk management and internal control framework – Steve Crabtree by July 2023

## **16. NATIONAL FRAUD INITIATIVE 2022/23**

The Audit Committee received a report in relation to the National Fraud Initiative 2022/23.

The purpose of the report was to provide how the Council will look to tackle fraud and error as part of mandatory exercises from central government.

The report was introduced by the Chief Internal Auditor and set out the two-year cycle that runs for the NFI. In October of this year the new cycle would begin. The NFI set out the

data sets that needed to be collected and sent to the Cabinet office. The Council would then receive two years' worth of downloaded data which would provide matches for the team to investigate. The Audit Committee had responsibility to overview this process.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- The process to carry out the investigations took time following the downloaded data.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note the mandatory data matching exercise planned for 2022 / 2023 and the implications on resources

## 17. RISK MANAGEMENT FRAMEWORK

The Audit Committee received a report in relation to the risk management framework.

The purpose of the report was to inform Audit Committee about updates to the Council's Risk Management Policy

The report was introduced by the Chief Internal Auditor and set out that risk was a key driver of the committee. The framework was last updated several years ago. The approach to this had now changed and the Council were using new software for this. The policy had been updated to reflect those new ways of working. The policy also set out the roles and responsibilities of members and officers. Members were informed that the strategic risks would be presented to the next meeting of the committee. In addition, the policy was cast out throughout the organisation and presentations were being made to all.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- It was the responsibility of Cabinet when making strategic decisions to consider the risks associated with making key decisions. There was still work to do with regards to the risk management system to better capture the risks and there were opportunities to do this going forward. There was an abundance of information in various places that needed a centralised system to capture that information. In addition, scrutiny committees would be able to challenge decisions made by the Cabinet to ensure that risks had been evaluated.
- Members raised concerns that they only knew about a risk when one was identified and that this was too late. Officers confirmed that a dashboard of risks was to be created on the recommendation of the risk management board.
- Cabinet Members recognised the important of having a dashboard and it was important that all councillors had the ability to see the dashboard once it had been put in place.
- The report presented to committee was limited in its outlook, the definition of risk and framework needed to be looked at closely and explain who had overall responsibility and oversight of this framework. It was important that members of the committee and councillors had oversight of this framework moving forward. The framework needed to be articulated in a better way. The categorisation of risks also needed to be reviewed to ensure it was appropriate.
- The report needed to clearly explain whether it was looking at gross or net expenditure of the Council. Members were happy to offer suggestions and approaches to help improve the risk management framework.
- Officers commented that a few Councils had adapted different approaches which were being investigated by officers. It was noted that internal audit was not the right

team to have oversight of the risk management framework. A more focused risk management board was needed.

- The work on risk management and the board itself was to sit within the governance directorate to ensure that it sat outside of the finance and audit functions.
- The Council had not adequately educated members on the budget setting process. It was important that members needed to understand the risks in not setting a balanced budget.
- Members of the Council sitting outside of the Cabinet would not fully understand the matrix used in determining what was deemed a high risk. It was important that the risk framework was more transparent for all councillors.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note and approve the Council's Risk Management Policy.

### **AGREED ACTIONS**

1. Officers were working on the risk management dashboard and this was to be presented as part of the Risk Management Framework – Steve Crabtree/Sam Smith by 28 November 2022
2. Comprehensive review and update of the Risk Management Framework. - TBC by TBC

## **18. REVIEW OF EFFECTIVENESS OF THE AUDIT COMMITTEE**

The Audit Committee received a report in relation to the review of the effectiveness of the Audit Committee.

The purpose of the report was to provide members with details of an internal assessment against good practice for the effectiveness of audit committee.

The report was introduced by the Chief Internal Auditor and set out the CIPFA (Chartered Institute of Public Finance and Accountancy) guidance of the issues that should be presented to the Audit Committee. This format was based on a checklist. The key issue is the effectiveness of those and is not managed in the guidance once things came out from IIAP (Independent Improvement and Assurance Panel) audit committee needed to be robust and not just meeting the checklist. Captures a small element of the wider things going on in the Council. The effectiveness needs ownership by Members to review as how it is operating and how it should in the future. Members were reminded that they had training in relation to this and once updated, the terms of reference would also provide better effectiveness.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- It was noted that having independent members on the committee had improved the robustness of the questioning.
- Training audit committee members was seen as a low priority within political groups. It was important that the profile of the committee was raised. Officers commented that the committee needed to have the best people sitting on it to ensure it was effective.
- The external auditors had seen improvements on the committee since the independent members had joined. Compared to other committees at local authorities' improvements had been made and were now in a better position than other local authorities.
- The challenge was to move away from the effectiveness of the committee being a tick box exercise. It was important to look at the effectiveness of the committee



against the CIPFA guidance. The committee needed to take more accountability going forward.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to consider the response to the CIPFA Toolkit checklist for Audit Committees, which records that the Committee overall meets the good practice statements.

## **ACTIONS**

1. The Chair of the Audit Committee to take on responsibility for the approach to the Annual Review of the Effectiveness of Internal Audit going beyond the checklist in the CIPFA “Toolkit for Local Authority Audit Committees – Audit Chair and Steve Crabtree by July 2023
2. Update the Terms of Reference for the Audit Committee to reflect the latest (draft) CIPFA Guidance and implement the necessary changes to the work programme to reflect the updated TOR – Audit Chair/Fiona McMillan by July 2023

## **19. DRAFT ANNUAL GOVERNANCE STATEMENT**

The Audit Committee received a report in relation to the draft annual governance statement.

The production of the Annual Governance Statement (AGS) forms part of the annual closure of accounts process. It was not a financial exercise but represents a corporate overview of the processes and procedures adopted by Peterborough to manage its affairs.

The report was introduced by the Chief Internal Auditor and set out the draft annual statement and how the council operates. There were a number of sources that were put together in terms of the annual statement and this formed part of the statement of accounts. The Local code of governance was picked up as part of this work and there was a key opportunity to review this going forward. The AGS document also pulled together the financial controls across the Council and was submitted to CLT (Corporate Leadership Team). They have updated this and taken ownership.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Under the Council’s Improvement Plan it was essential that the Council reviewed its corporate governance and democratic structures. The processes needed to be looked at to ensure that any inefficiencies were examined and processes put in place to ensure the Council followed correct governance.
- There was a period of reflection that needed to take place to ensure actions on the risk management framework were put in place. This also included considering the work of the Audit Committee and the Improvement Plan.
- Further assessment needed to be made and undertaken to review how the Council was going to undertake reducing the £11.5 million deficit.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to

1. Note the arrangements for compiling, reporting on and signing the Draft Annual Governance Statement;
2. Review and comment on the Draft Annual Governance Statement including any areas which should be considered; and
3. Subject to changes identified above, agree and approve the statement for signature by the Chief Executive and Leader of the Council for inclusion in the statement of accounts

## 20. VERBAL UPDATE – ANNUAL AUDIT RESULTS REPORT 2020/21

The Audit Committee received a verbal update with regards to the annual audit results report 2020/21.

The report was introduced by the Associate Partner EY, the issue around infrastructure assets was still ongoing and was an issue for external auditors across the country. There was a statement from CIPFA due shortly, local authorities and external auditors would need to take a view on whether to conclude audits at some point. The external auditors were minded issuing a qualification on a limited audit scope as there was not enough information available. A potential date of the 31 August was mentioned to hold an extraordinary committee meeting to sign off the accounts. It was anticipated that the final view from the external auditors was to draw attention to reflect the steps the Council was taking to improve its financial position and move away from a capitalisation directive.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- It was likely that other authorities across the country would see similar proposals as it was not possible to keep waiting for CIPFA to produce guidance on information with regards to infrastructure assets
- If the opinion of the external auditors were one of material uncertainty the some of the key services would be in serious doubt as to whether the Council could provide statutory services in 12 months' time.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to receive and note the verbal update of the “Audit Results Report – (ISA260)” for the year ended 31 March 2021 from Ernst & Young (EY) on behalf of the Council which had been delayed until August 2022.

## 21. DRAFT STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

The Audit Committee received a report in relation to the draft statement of accounts for the year ended 31 March 2022.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- The document was in draft form and was being worked on by officers going forward, even after the document was published on Friday.
- The graph showing the political composition of the Council needed to be updated and would be done before publication.
- Members noted that with regards to the remuneration packages of senior officers this was higher than in previous years.
- In terms of the LATCO's it was important the committee looked at the procurement elements of these companies as large sums of money were going to these companies without an element of competition. It was therefore vital to ensure that these companies were good value for money.
- It was concerning that the Council failed to meet its obligations in terms of the statement of accounts as this was only due to start in January 2023, some months after the accounts should be signed off. There needed to be more openness and transparency over this, in addition it needed to be addressed as part of the annual governance statement and how the Council was planning to get back on track.
- There was an issue around public perception and the accounts not being signed off, it was possible that people would draw unfortunate conclusions over the Council's ability to handle its finances.

- Although the accounts were due to start later than anticipated there were elements that were out of the Councils control. It was a good effort from the team to be able to publish a draft set of accounts within the prescribed timeframe. It was agreed that an explanation would be included on the website to explain the delay in signing these off officially.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to

1. review and comment on the draft Statement of Accounts prior to the Chief Finance Officer's certification by the 29 July 2022
2. to note that Annual Governance Statement will be a separate report in 2021/22 and not included in the draft Statement of Accounts.

#### **ACTIONS:**

1. Political composition within the draft statement of accounts needed to be updated before being published. - Cecilie Booth/Kirsty Nutton/Emma Riding by 29 July 2022
2. Website needed to explain the delay in signing off the accounts and the delay in starting the audit of the accounts until January 2023. - Cecilie Booth/Kirsty Nutton/Emma Riding by 29 July 2022
3. Local Authority Trading Companies (LATCO's) needed to be included in the report on procurement that was going to be presented to committee in September. - Cecilie Booth/Mark Sandhu/George Wallace by 12 September 2022
4. Extraordinary meeting in August for signing off the accounts 2020/21 - EY/Sian Warren/Kirsty Nutton by end of August 2022
5. Officers to work at regularising the preparation and timings of signing off the statement of accounts going forward – Cecilie Booth/Kirsty Nutton/Sian Warren by TBC

#### **22. USE OF REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

The Audit Committee resolved to note that there was no RIPA update.

#### **23. APPROVED WRITE-OFFS EXCEEDING £10,000**

The Audit Committee resolved to note that there was no debt write-off exceeding £10,000.

#### **24. DECISIONS OF SHAREHOLDER CABINET COMMITTEE**

The Audit Committee resolved to note the decisions of the Shareholder Cabinet Committee.

#### **25. WORK PROGRAMME**

The Audit Committee received the report with the committee's work programme for the year 2022/23.

The purpose of the report was to allow the committee to add/remove any items from the work programme for the year ahead.

The report was introduced by the Senior Democratic Services Officer. The work programme had been updated to reflect a rolling programme of work.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Review of procurement to expand to LATCO (Local Authority Trading Company) companies and the significant money going through these processes.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note the work programme and agreed to the additional items being added to future meetings.



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**MINUTES OF THE EXTRAORDINARY AUDIT COMMITTEE MEETING  
HELD AT 6PM, ON  
31 AUGUST 2022  
COUNCIL CHAMBER, TOWN HALL, PETERBOROUGH**

**Committee Members Present:** Councillors Shaz Nawaz, Haseeb, Rangzeb, Sainsbury and Sandford

Co-Opted Members: Chris Brooks (Chair), Mike Langhorn, Stuart Green

**Officers Present:** Cecilie Booth, Corporate Director Resources – S151 Officer  
Sian Warren, Financial Accounting and Control Manager  
Carole Coe, Commercial Finance Manager  
Dan Kalley, Senior Democratic Services Officer

**Also Present:** Neil Harris, Associate Partner, Ernst&Young (EY)  
Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance  
Councillor Imtiaz Ali via Teams

**26. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Jackie Allen. Councillor Sainsbury attended as substitute.

**27. DECLARATIONS OF INTEREST**

There were none.

**28. AUDIT OF STATEMENT OF ACCOUNTS TO THOSE CHARGED WITH GOVERNANCE (ISA260)**

The Audit Committee received a verbal update with regards to the annual audit results report 2020/21.

The report was introduced by the Associate Partner EY. Members were informed that a number of verbal updates had been presented to the committee over the past year for the financial year ending 31 March 2021. The report being presented to members was the provisional audit results report from EY on the financial statements of Peterborough City Council.

Members were informed that at the date the report was submitted the external auditors had substantially concluded their auditing work. There was a final assessment on events after the balance sheet dates and a final revisiting of the group boundaries to consider the Councils interest in the Empower loan before the Council moved the loan in-house.

Consultations were also being completed with the professional practices team on two areas. One area was to lead to an opinion that there were significant weaknesses with the Councils value for money arrangements. From this there were weaknesses around financial sustainability which was mentioned as part of the external auditors reporting up to 31 March 2021. In addition, there was also an impairment noted due to the Empower loan in the region of £2.6 million. The final report would reference these areas in more detail once complete.

The committee were informed that consultations were in the process of being concluded on the Councils going concern disclosure which looked 12 months ahead of the date of this meeting. This looked at the Councils forecast on the robustness of its budget, level of reserves and robustness of the savings plan. In addition, the external auditors were looking at whether the Council had sufficient cash levels or borrowing ability to maintain continuity of services. The opinion at EY at the current time was that there was no material uncertainty that needed to be disclosed in the Councils accounts.

The committee were updated as to the national position around infrastructure assets, the Council had taken a number of proactive steps with CIPFA and EY to ascertain what records were currently existed on infrastructure assets. The Council had taken the position to delay the conclusion of the 2020/21 accounts until there was a final resolution from CIPFA. Once this had been resolved it would need to be reflected in the Councils final accounts, however it was still not clear when this was going to be resolved.

Members were informed that the whole of the audit would need to be reviewed by the new partner at EY who was taking over the audit of the accounts from the current partner.

The report contained a separate appendix that outlined the external auditors concerns over some of the valuations of assets that were being held. In addition, once a final report was ready members of the committee would be informed.

Officers were thanked for their work with the audit partner over the past few years in difficult circumstances.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- The issues were technical, this was the main reason the accounts had yet been signed off. Where issues had been raised these had been adjusted and reviewed by officers.
- In terms of the deadlines for concluding external audits for the year 2020/21 this was end of September 2021. This had gone past the deadline but was not inconsistent with other local authorities, especially considering the impact of the issues around infrastructure assets. It was important to note that the accounts were published on time in draft form and were in the public domain within time.
- There were no financial consequences from finalising the accounts past the deadline. There was always a possibility that questions could be raised over the practicality of why the accounts were late, which could cause reputational issues for the Council. The lateness for the Councils accounts was due to national issues rather than issues within the Council directly.
- A number of other Chief Finance Officers were facing similar issues as Peterborough. These authorities were deciding whether to wait for the national issue to be resolved or press ahead with a qualified opinion.
- CIPFA had been working with the Council to try and collect all the documentation required around infrastructure assets. Following this it was agreed that the task was too big and time consuming and that it was a risk, reputationally, to go ahead with a qualified opinion rather than wait for the national issues to be resolved.



- The Councils credit rating was the same as central governments. This had no impact on the Councils perceived credit rating.
- If a local authority had some other issues that affected their reputation it was possible that they would be less likely to be able to borrow money from other local authorities.
- The difficulty for members with the report was that it looked backwards at the value for money arrangements at the Council, rather than what was currently in place or was planned to be in place. There was evidence to show that the Council had made improvements since 2021. The external auditors had commented on the arrangements with Empower and the Hilton Hotel development. Members needed to be aware of commercial activities going forward, with the risks that were associated with this, it was good that the committee were going to look at these at a future meeting.
- There were occasions when there had been transportation issues on balance sheets, however it was important to note that this did not affect the Councils bottom line.
- The external auditors were now satisfied with the set of accounts having taken into account some potential inaccuracies around the valuation of some of the Councils assets.
- Members were informed that previously the Council outsourced the whole of the property function to Norse Property Services (NPS). The Council had limited oversight over the valuations and little expertise to verify the valuations. The property service was now being taken back in house from end of June 2023. A new Commercial and property Service Director was in the processes of being appointed.
- In terms of community centre assets the method DRC stood for Depreciated Replacement Costs and were more specialised assets. The external auditors were satisfied that the adjustments had been made correctly.
- It was not possible to blame NPS solely for the errors and the incorrect valuations, there had been occasions where promises had been made without proper valuations.
- With regards to the hydrotherapy pool this was not around the valuation, rather the selling off of land that might be valuable in the future.
- There was confidence that the issues around valuations would not happen in the future. There would be a process to ensure second independent valuations were taken before any assets were disposed of.
- There was worrying data within Appendix H, which referenced numbers relating to the MTFs (Medium Term Financial Strategy) 2020/21 and how this might impact the MTFs going forward.
- Although this was a substantial report from EY this was not the final report as there were still some outstanding issues to finalise. In addition, with the handover to a new partner at EY it was appropriate that a final report was published once they had a chance to review the findings.
- The information in Appendix H was included to give the report context as to why the external auditors had concerns over the value for money and the Council as a going concern. The Associate Partner confirmed that as the external auditors no longer had concerns with the information in Appendix H this could be removed from the final published audit as this was based on information at the time of the report being written.
- Members were informed that there was, as far as EY could see, no material uncertainty and that the Council was going to keep providing services to residents.
- An updated analysis would be provided when the final report was published.
- In addition, an expert team had done an analysis of the Councils MTFs position and could be presented to the Audit Committee at a later date. The report in front of members was as up to date as possible. It was important that the Audit

Committee had a meeting to discuss and digest the latest position before it was signed off.

- It was anticipated that the final report would be published before the end of 2022 to allow the external auditors to concentrate on the 2021/22 audit.
- Members went through the different sections covered in the EY report and agreed that the primary areas had been covered by the committee. One of the key areas was to ensure that internal controls were tighter to prevent some of the issues that had gone before from happening again.
- All recommendations in terms of school payroll reconciliation had been taken into account and actioned.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to

1. Receive and approve the “Audit Results Report - (ISA260) for the year ended 31 March 2021” from Ernst & Young (EY), the Council’s external auditors.
2. Receive and note that the Council have opted to delay the signing of the 2020/21 Statement of accounts for the outcome of the CIPFA consultation process and any adaptations to the Code of Practice that result relating to Infrastructure Assets.
3. To delegate to the Chairman to approve further changes if needed and notify committee members if any changes are made.

**ACTIONS:**

1. Officers to liaise with EY to remove information held in Appendix H from the final report – Sian Warren/Cecilie Booth/EY - November 2022
2. Ensure that if any changes were made to the report that the Audit Committee members be notified of these changes – Chris Brooks (Chair)/Cecilie Booth – November 2022
3. Audit Committee to review commercial activities and risks going forward. Item to be added to work programme for a later date – Chris Brooks (Chair)/Dan Kalley - TBC

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 4</b>
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Chair of the Audit Committee	
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Dan Kalley, Senior Democratic Services Officer	Tel. 296334

**ACTIONS AND MATTER ARISING**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> <i>Chair of Audit Committee</i>	<b>Deadline date:</b> <i>N/A</i>
It is recommended that the Audit Committee notes the actions and matters arising from previous meetings and progress made to date.	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to the Audit Committee following a request made by the members of the committee to able to see the progress of actions undertaken by officers.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to provide an update on the actions and matters arising from the previous meetings of the Audit Committee.

2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	
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**4. BACKGROUND AND KEY ISSUES**

4.1 At its meeting in July the Audit Committee agreed to include a standing item to review and note the actions and matters arising from previous meetings of the committee.

4.2 Attached to this report is a list of the actions that have been noted in the previous meetings (Attached at Appendix A).

4.3 Members can note the update on actions so far and have the opportunity to ask for an update from the relevant officer at the meeting should they wish to do so.

## **5. IMPLICATIONS**

### **Financial Implications**

5.1 There are none.

### **Legal Implications**

5.2 There are none.

### **Equalities Implications**

5.3 There are none.

## **6. APPENDICES**

6.1 Appendix A – Action Log

APPENDIX A

AUDIT COMMITTEE: RECORD OF ACTION TAKEN

MUNICIPAL YEAR: MAY 2022 - APRIL 2023

DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
21 20 June 2022	Update from EY	Breakdown in £118 million difference in valuation of assets	Cecilie Booth/Kirsty Nutton/Emma Riding	Before Committee 25 July 2022	Completed and sent to Committee 22 July 2022.	22 July
	Budget Monitoring Report Outturn 2021/22	Officers to investigate if there are any unspent S106 monies being held on account and report back	Cecilie Booth/Kirsty Nutton/Emma Riding	17 October 2022	Ongoing – Information to be provided in report on Council’s reserve policy due at committee in September 2022.	
		Officers to include an item on the work programme looking at the Council’s reserve policy	Dan Kalley – to include on work programme  Cecilie Booth – To draw up reserves policy and present to committee	1. 25 July 2022  2. 17 October 2022	1. Completed and added to work programme for September  2. To be presented to committee at meeting in October	25 July 2022
	Work Programme	To include items on the following:  1. Activity of Procurement single supplier procurement over £10,000 and services procured / approved retrospectively.	Dan Kalley	25 July 2022	Completed and items listed on work programme	25 July 2022

		<p>2. Assets Dashboard over £5 million – if possible</p> <p>3. Material arrangements and working with joint ventures/partners</p> <p>4. Financial Plan and Improvement Panel report</p> <p>5. Risk Management – ensuring controls in place</p> <p>6. Budget Setting and Scrutiny Process</p>				
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<b>DATE OF MEETING</b>	<b>AGENDA ITEM</b>	<b>AGREED ACTION</b>	<b>OFFICER RESPONSIBLE</b>	<b>DUE DATE</b>	<b>CURRENT STATUS/ACTION UPDATE</b>	<b>DATE COMPLETED</b>
25 July 2022	Item 3. Minutes of the previous meeting	A separate agenda item for actions arising from the previous meetings was to be created.	Dan Kalley	17 October 2022	On agenda for October meeting	
	Item 4. Annual Report on Insurance	The reporting line for the Insurance team to be reviewed in the light of the changes to the responsibility for Risk Management	Steve Crabtree/Cecilie Booth	28 November 2022	Ongoing	
	Item 5. Annual Report Fraud and Investigations	Any future reports needed to include figures so that the committee could see the hard facts and evidence and advise accordingly.	Steve Crabtree	July 2023	Ongoing – will be completed next time item reported on.	

		Issue around Councillor's making a complaint on behalf of residents to be investigated further	Fiona McMillan/Steve Crabtree	17 October 2022	Ongoing - Check with officers end of August 2022	
	Item 6. Internal Audit: Annual Audit Opinion	Officers to investigate potential to add in more qualitative data into the annual governance statement to form a more rounded conclusion on the Council's financial position.	Steve Crabtree	30 January 2023	Ongoing – work to be done by next time Statement of Accounts (inc governance statement) presented to committee in January 2023	
		Head of Internal Audit to review the approach to incorporating assurance from other sources as well as internal audit work when arriving at the Annual Audit Opinion including reflecting in his overall opinion known issues and other challenges to the adequacy of the council's governance, risk management and internal control framework.	Steve Crabtree	July 2023	Ongoing	
	Item 8. Risk Management Framework	Officers were working on the risk management dashboard and this was to be presented as part of the Risk Management Framework.	Steve Crabtree/Sam Smith	28 November 2022	Ongoing	
		Comprehensive review and update of the Risk Management Framework.	TBC once risk management officer identified/Sam Smith	TBC	Ongoing	

Item 9.	Review of the Effectiveness of the Audit Committee	The Chair of the Audit Committee to take on responsibility for the approach to the Annual Review of the Effectiveness of Internal Audit going beyond the checklist in the CIPFA “Toolkit for Local Authority Audit Committees”	Audit Committee Chair/Steve Crabtree	July 2023	Ongoing	
		Update the Terms of Reference for the Audit Committee to reflect the latest (draft) CIPFA Guidance and implement the necessary changes to the work programme to reflect the updated TOR	Audit Committee Chair/Steve Crabtree/Fiona McMillan	July 2023	Ongoing	
Item 12.	Draft Annual Statement of Accounts 2021/22	Political composition within the draft statement of accounts needed to be updated before being published.	Cecilie Booth/Kirsty Nutton/Sian Warren/Carole Coe/Emma Riding	Friday 29 July 2022	Done and is now up to date	29 July 2022
		Website needed to explain the delay in signing off the accounts and the delay in starting the audit of the accounts until January 2023.	As above	Friday 29 July 2022	Completed website update	29 July 2022
		Local Authority Trading Companies (LATCO's) needed to be included in the report on procurement that was going to be presented to committee in September.	Cecilie Booth/Mark Sandhu/George Wallace	17 October 2022	Ongoing	
		Extraordinary meeting in August for signing off the accounts 2020/21	External Audit/Sian Warren/Kirsty Nutton	31 August 2022	Date agreed for the signing off of accounts	



		Officers to work at regularising the preparation and timings of signing off the statement of accounts going forward	Cecilie Booth/Kirsty Nutton/Sian Warren	TBC	Ongoing	
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<b>DATE OF MEETING</b>	<b>AGENDA ITEM</b>	<b>AGREED ACTION</b>	<b>OFFICER RESPONSIBLE</b>	<b>DUE DATE</b>	<b>CURRENT STATUS/ACTION UPDATE</b>	<b>DATE COMPLETED</b>
30 August 2022 (Extraordinary) 25	Item 3.	Officers to liaise with EY to remove information held in Appendix H from the final report – Sian Warren/Cecilie Booth/EY - November 2022	Sian Warren/Cecilie Booth	November 2022 (when final report ready)	Ongoing	
		Ensure that if any changes were made to the report that the Audit Committee members be notified of these changes – Chris Brooks (Chair)/Cecilie Booth – November 2022	Chair/Cecilie Booth	November 2022 (if any changes are made)	Ongoing	
		Audit Committee to review commercial activities and risks going forward. Item to be added to work programme for a later date – Chris Brooks (Chair)/Dan Kalley - TBC	Chair/Dan Kalley	TBC	Ongoing	

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<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 5</b>
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Director of Resources and S.151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Mark Sandhu, Operations Director Contracted Services	Tel. 296321

<b>PROCUREMENT ACTIVITY 2022</b>
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R E C O M M E N D A T I O N S	
<b>FROM :</b>	<b>Deadline date : N / A</b>
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> <li>Note the current legislation and arrangements for delivery of procurement across Peterborough and the current performance</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee as a scheduled report on the delivery of procurement services across Peterborough City Council. It is in line with the established Work Programme.

**2. PURPOSE AND REASON FOR REPORT**

2.1 Procurement supports the Council's corporate priorities through enabling officers to purchase goods, services and works in a way which is not just legally compliant, but which also secures value for money and considers opportunities to secure social value. This report provides an overview of the legislative environment and governance of the procurement function.

2.2 The Terms of Reference for the Audit Committee (agreed at Full Council) set out the key roles of the Committee including the following

2.2.1.18: To monitor the effective development and operation of risk management and corporate governance in the Council.

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet	-
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## 4. LEGISLATION

- 4.1 Public procurement is the purchase of goods, services and works by public sector bodies. Prior to the end of the transition period at 11pm on 31 December 2020, public procurement was regulated through EU procurement rules implemented into UK legislation by the Public Contracts Regulations 2015 and the Concession Contract Regulations 2016. From 11pm on 31 December 2020, a number of amendments were made to the legislative framework to reflect the UK's departure from the EU and to implement the Withdrawal Agreement with the EU and other associated agreements.
- 4.2 The main change is that new UK procurement opportunities which previously would have been required to be advertised in the Official Journal of the European Union, now need to be publicised in a new UK e-notification service called 'Find a Tender Service' (FTS).
- 4.3 The regulations apply to their fullest extent to contracts which exceed a threshold value. That value is revised every two years. The current thresholds are set out below. Although they remain unchanged, they are now set by the World Trade Organisation under the UK's participation in the Government Procurement Agreement.

Contract Value in £	Supplies (Goods) Contracts	Service Contracts	Light Touch Regime Contracts	Works Contracts	Concession Contracts
1 Jan 2018 – 31 Dec 2019	181,302	181,302	615,278	4,551,413	4,551,413
1 Jan 2020 – 31 Dec 2022	189,330	189,330	663,540	4,733,252	4,733,252

- 4.4 On 15 December 2020, the government published its Green Paper: Transforming Public Procurement. The government's stated goal is to speed up and simplify procurement processes, place value for money at their heart, and unleash opportunities for small businesses, charities and social enterprises to innovate in public service delivery. The consultation closed 10 March 2021. In December 2021, the response to the consultation was published along with modified proposals, which took account of the feedback received during the consultation.
- 4.5 These modified proposals will form the basis of a Procurement Bill, expected to be introduced to Parliament during 2022. This will ultimately lead to a Procurement Act. At the time of this report, the Bill has passed through to the Committee stage. These new regulations will replace the existing four sets of public procurement regulations and will be expected to go live in 2023.

This is the most extensive change to Public Procurement Legislation in a generation and although the Bill has been classified as a "Bonfire of Red Tape", in reality this is likely not to be the case.

A helpful Essential Guide has been issued to the Council via Trowers and Hamilns Law Firm which will assist the process of updating the Council's Constitution, Standing Orders and internal Policies and Procedures to ensure compliance with the new Legislation. Please refer to Appendix 6 to access the guide.

## 5 PROCUREMENT POLICY AND CONTRACT RULES

- 5.1 The over-riding procurement policy requirement is that all public procurement must be based on value for money, defined as "the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought". This should be achieved through competition, unless there are compelling reasons to the contrary.

Public sector procurement is subject to a legal framework which encourages free and open

competition and value for money, in line with internationally and nationally agreed obligations and regulations.

The Council Contract Rules do not direct Commissioners to the Procurement Team when undertaking procurements and so it is still possible for individual departments or Commissioning Colleagues to either run informal quotations or pursue approval for exemptions from the contract rules without prior clearance from the Procurement Team separately.

Any contract to be awarded to a supplier or suppliers above £5,000 must have either an approved exemption from procurement rules or Directors Contract Award following a procurement process and three written quotes is required to be evaluated before an award is made. At £25,000 an advert is required to be placed in HM Govt.'s Contracts Finder Service. At £50,000 a full tender process must be undertaken with a minimum of 6 bidders evaluated.

The Procurement Team must be contacted for procurements in excess of OJEU limits.

Commissioners do contact the Team in most cases via a Procurement Requirement Form. There is no upper limit imposed for procurements so the Team will undertake procurements for a few thousand pounds up to multi million pound pieces.

Please refer to the Council's Contract Rules Part 10 of the Constitution – page 243 of the Contract Rules provides an easy reference table relating to procurement and contract awards. [https://democracy.peterborough.gov.uk/documents/s45871/Part 4 Section 10 - Contract Rules Version 007.pdf](https://democracy.peterborough.gov.uk/documents/s45871/Part_4_Section_10_-_Contract_Rules_Version_007.pdf)

- 5.2 The Contract Procurement Rules (the Rules) provide a structure for the procurement of works, goods and services. Following them will ensure value for money, propriety and the proper expenditure of public funds. Officers must remember that their budgets are made up of public money and must ensure that they are spent correctly, fairly and transparently. The current Public Procurement Regulations 2015, on which the Council's Contract Rules are based, has the 4 guiding principles derived from the original European Directives of Fairness, Openness, Transparency and Non-Discrimination. Principles the Council has a duty to uphold when procuring goods, services and works.

## 6 PROVISION OF PROCUREMENT

- 6.1 Procurement Services are provided by Serco to the City Council through the Peterborough Serco Strategic Partnership (PSSP) and also covers those services which are provided by Aragon Direct Services. Overall, it manages the Councils spend on goods and services which equates to approximately £194m.

The team currently consists of 13 staff and as part of the service that they provide to PCC they are also responsible for:

Producing 3<sup>rd</sup> party spend and GPC card spend reports;

Management and implementation of the e-sourcing system, Developing Power BI to enhance reporting and the Development of ERP Systems;

Partnering with other organisations where Serco provides Procurement Services for 3<sup>rd</sup> Party Spend.

Contract Management of the Highways contract for Client supplier assurance  
Client Training and Advice on Procurement

Producing and Updating Procurement Operations, Policies and Procedures,  
Practice and Standards;

Verifying and On-Boarding supplier details for new set ups and changes  
Client Contracts Register, Client PCard System, Client Reporting

Management of Client Governance Process

Working to an Annual Work Plan of approx. 70 Procurements

Tactical Buying

Management of the Buying Support In Box

Management of Exemptions and the Management of Procurement Requirements Forms

Member of the Procurement Board and Joint Commissioning Board

Fostering closer links with Cambridgeshire County Council

6.2 The current procurement service doesn't include contract management services other than for the Highways Infrastructure Service, as the responsibility lies with Commissioners.

6.3 The Procurement Board is the central decision making and front line governance body responsible for products/services procured across the Council. It will ensure a collaborative approach across all aspects of procuring goods and services. It will establish robust procedures for procuring products which will include: change processes' savings evaluations and continuous improvement. The Procurement Board is accountable to the Corporate Leadership Team.

## 7 PROCUREMENT ACTIVITY 2022

7.1 The Procurement Team, in agreement with the Council, moved away from the previous Sourcing System – Sourcedogg and replaced it with Pro Contract in April 2021, This not only saved £5k per Year on the cost of the system but greatly improved the link between completed procurements and initiating a contract record in the system. Currently the contracts register does not automatically link with supplier verification, on boarding and spend, and the ability to stop any spend taking place for goods and services not linked to a current contract is extremely limited.

Through the use of work flows and specialist buyer functions we will be able to control spend better and ensure more spend is effected under management. This will also help to direct commissioners to Procurement where insufficient Governance is in place

7.2 Key highlights for exemptions (waivers) may be derived from the available data held on Governance Logs below for the period April 1<sup>st</sup> 2021 to date for Exemptions either completed and approved or in progress.

Number of Exemptions	211	£15,530,339
Number of Exemptions > £10k	188	£15,362,790
Number of Retrospective Exemptions	106	£7,256,884
Number of Exemptions that are fully externally funded	31	£2,243,888
Most common reason for Exemptions – Compliant Procurement Routes Exhausted	55	£4,961,976
Most common category of Exemption – Care Placements	50	£4,752,116
Number of Exemptions relating to lack of planning	48	£3,450,041

7.3 A more detailed breakdown of the summary numbers in Section 7.2 may be found in the following Appendices.

Appendix 1 – Shows the following

The number and value of Exemptions over £10,000 by Directorate

The number and value of Retrospective Exemptions by Directorate

A table showing the Primary Reason for Exemptions (*for example where Compliant Procurement Routes are Exhausted due to the need to assess and deliver services to people who use care services not being able to be effected by suppliers currently awarded places on the Dynamic Purchasing System for Children's Residential Services of a Framework in place for Care at Home Services.*)

Appendix 2 – Shows the "Category" of Exemption such as Agency Staff or Exemptions for Placements for people in care services by number and Value

Appendix 3 – Full Data Table for Exemptions April 1<sup>st</sup> 2021 to date either In Progress or Completed and Approved

7.4 In terms of Contracts there are 287 active contracts listed on Pro Contract with an approximate annual value of £127m which represents a 66% of spend under management. Work is on-going to find missing contracts and make annual spend figures more in line with actual spend from the Unit 4 Agresso system.

7.5 There are 16 contracts awarded via Frameworks and Dynamic Purchasing System Contracts with an annual value of approximately £18m.

7.6 Appendix 4 provides the data table for current contract information.

The Procurement Team have detailed processes for undertaking procurements and are scalable depending on their value and complexity, However all procurements include the following key stages.

- Budget Confirmation
- Market and Supplier Engagement
- Sourcing Plan (Mainly for over £50k pieces)
- Bid Evaluation
- Evaluator Score Moderation
- Award – either via Director's Contract Award Report or Cabinet Member Decision Notice.
- External Award and Opportunity Notices via Find a Tender and Contracts Finder for all procurements of £25k and above.
- Legal sign off for ITT documents and award letters
- Stand still period
- Contract Information Record completed once Award process complete

### 7.7 **Current and Future Improvements**

Data records are held in a number of sources. The Procurement, Supplier Spend and Contracts Processes are all separately undertaken. This means that it is a difficult and time consuming process to keep the contracts register up to date.

Currently the Procurement Team has just finished overhauling the Governance system to allow better data capture and analysis and to be able to capture contracts awarded via Exemption, and where a procurement process did not take place, to be added to the register. However there is a back log that need to be added to the register which is also being addressed.

In addition all historic and recent Contract Award Governance References are being linked

to the contracts register which is on-going.

Some scoping has taken place to set up a fully integrated ERP system that would link all three of these processes together, would improve data capture and analysis of off contract spend and force any non-compliance to the surface via mandatory system workflows and processes maximising spend under management linked to a formal contract. An Options Paper for this is being developed by ICT and Procurement colleagues which discusses what the parameters and options for implementation might be.

Future proposals are to provide an annual report to Audit Committee which might set out:  
( List not exhaustive)

- No of extensions to a current contract (and if so how many times extended...)
- Reduction in cost (through entry into / re-procuring term contracts)  
Spend against framework agreements

## **8. CONSULTATION**

This report has been issued to the Corporate Director of Resources for consideration.

## **9. ANTICIPATED OUTCOMES OR IMPACT**

That the Audit Committee is informed of the changing arrangements for procurement and the measures taken to ensure that the Council complies and delivers value for money.

## **10. REASON FOR THE RECOMMENDATION**

For Audit Committee to understand the levels and complexities of the procurement process and to monitor that the Council complies with all aspects. Where gaps are identified in the process, Audit Committee can further examine those contracts.

## **11. ALTERNATIVE OPTIONS CONSIDERED**

None. It is seen as good governance to inform members as to the processes and practices used to deliver on procurement.

## **12. IMPLICATIONS**

### **Financial Implications**

There are no direct financial implications as a result of this report, all associated costs relate to the delivery of each contract.

## **13. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

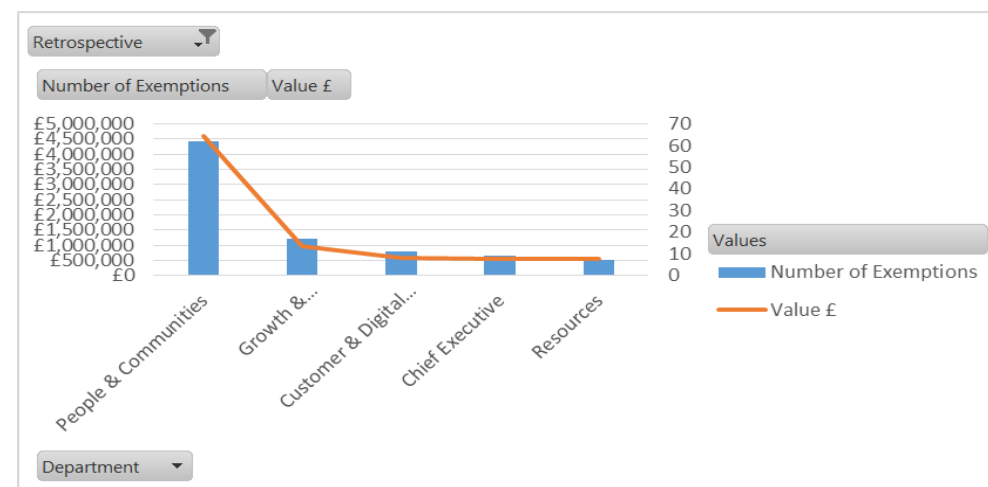
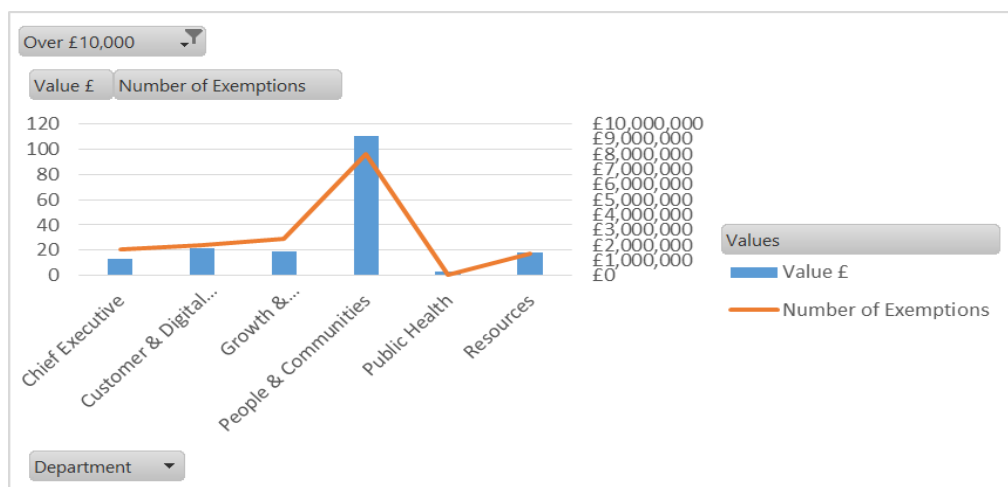
None

## **14. APPENDICES**

Appendix 1, 2, 3 – Exemptions Analysis and Data



## Appendix 1 - Exemption Data



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### Primary Reason for Exemption

	Value £	Exemptions
Compliant procurement routes exhausted	£4,961,576	55
Planning work left insufficient time to tender in line with Contract Rules.	£3,450,041	48
Proprietary goods or services	£2,342,818	51
An extension to an existing contract where:	£2,289,288	26
(i) a change of supplier would cause disproportionate technical difficulties		
Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed Sole Supplier	£1,415,146	15
Procurement routes exhausted	£778,105	10
Unforeseen changes relating to our statutory duties or Council priorities that have arisen that must be addressed immediately.	£222,649	1
A genuine emergency, one which is beyond the Council's control	£31,600	2
Working in partnership with another public body	£25,615	2
	£13,500	1
<b>Grand Total</b>	<b>£15,530,339</b>	<b>211</b>

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Category of Exemption	Value £	No of Exemptions
Placement	£4,752,116	50
Externally Funded	£2,243,888	31
Agency Staff	£714,853	9
Highways J15	£708,779	7
Consultancy	£694,550	11
Improvement Panel	£454,360	5
Payment Systems	£431,270	4
Events	£408,790	3
Children's Short Breaks	£339,537	1
Primary Care	£327,658	2
Mental Health Services	£320,506	3
Highways Software	£318,314	2
Agresso Software	£230,000	1
Third Sector Services	£224,307	2
Finance in place from childrens placement budget	£222,649	1
Legal Services	£216,800	4
Parent Support	£158,980	2
Social Care Case Management Software	£150,303	1
Rail Infrastructure	£140,000	1
Recruitment Services	£130,416	1
Data Security Software	£109,142	2
Memberships	£105,073	3
Payments Software	£105,000	1
Revs and Bens Software	£104,840	1
School Tuition	£104,000	2
Lifeline Services	£97,000	1
Local Offer Software	£93,433	1
Data Centre Systems	£93,049	1
Renewable Energy	£84,000	1
Nurse Outreach	£78,338	1
Homelessness	£73,392	1
Burials and Cremation Software	£71,416	2
Enforcement	£70,580	1
Aragon Transport	£65,442	1
External Tribunal Services	£65,000	1
Land Referencing Service	£59,380	2
Schools Finance Software	£59,200	2
Transport Software	£57,979	2
Trusted Assessor	£51,000	2
Insolvency Advice	£50,000	1
Avocacy	£50,000	1
Hackney Licencing	£45,000	1
Professional Services	£42,900	4
Wildlife	£42,150	1
ICT	£41,270	2
Telemetry	£38,575	1
Information @ Work Software	£35,994	1
Traffic Signals Software	£35,475	1
Vehicles	£34,607	1
Training	£29,000	2
Public Health	£26,000	1
Governor Training	£24,000	1
Concession Contract	£23,400	1
N/A	£22,107	2
Highways Asset Model	£22,016	1
People Planner Software	£21,138	1
Data and Systems Management Software	£20,134	1
Short Breaks	£19,575	1
Abnormal Loads Software	£15,176	1
Telecare	£15,111	1
Cloud Software	£14,275	1
E-Sourcing Software	£14,100	1
School Software	£13,601	1
Subscription	£13,500	1
Printers and Copiers	£11,400	1
Schools Performance Software	£10,619	1
Document Storage Software	£10,000	1
Child Psychology	£8,925	1
Treasury Services	£8,500	1
Water Management	£8,000	1
Heath Assurance	£6,500	1
Education	£6,000	1
Contribution to other Local Authorities	£5,500	1
Clare Lodge	£5,450	1
Making Tax Digital Software	£5,000	1
<b>Grand Total</b>	<b>£15,530,339</b>	<b>211</b>

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Appendix 3 Exemptions Table April 2021 to August 2022 (Completed or In Progress Status)

UID Reference Number	Current Status	Date logged	Department	Category	Report Title	Supplier	Estimated Value £	Retrospective	Primary Reason
E00759	Complete	28/02/2021	People & Communities	Governor Training	Procurement of "The School Bus" – Governor and School Leader Support	The School Bus	£24,000.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00760	Complete	04/02/2021	Chief Executive	Legal Services	Contract for provision of legal services support	Commercialist Limited Company	£46,800.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00765	Complete	05/02/2021	Growth & Regeneration	Highways J15	Award of a contract to BT Openreach Limited for diversionary works as part of the Carriageway widening scheme on the A1260 Nene Parkway Northbound at Junction 15	BT Openreach Limited	£458,951.00	Yes	Sole Supplier
E00766	Complete	05/02/2021	Growth & Regeneration	Highways J15	Award of a contract to City Fibre for diversionary works as part of the Carriageway widening scheme on the A1260 Nene Parkway Northbound at Junction 15	City Fibre	£34,087.00	Yes	Sole Supplier
E00767	Complete	05/02/2021	Growth & Regeneration	Highways J15	Award of a contract to Virgin Media for diversionary works as part of the Carriageway widening scheme on the A1260 Nene Parkway Northbound at Junction 15	Virgin Media	£30,010.00	Yes	Sole Supplier
E00763	Complete	05/02/2021	People & Communities	Placement	Care Services	24/7 Support UK Ltd	£112,112.00	No	Compliant procurement routes exhausted
E00761	Complete	05/02/2021	People & Communities	Parent Support	Purchase of Triple P Online Codes	Triple P UK	£119,980.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00764	Complete	05/02/2021	People & Communities	Document Storage Software	Procurement of Governor Hub – document storage and communications portal for Governors	GovernorHub (Ortoo Technologies)	£10,000.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00792	Complete	09/04/2021	People & Communities	School Software	Request for approval for "Looked After Call" attendance services to the Peterborough Virtual School for Children in Care to continue	IRIS ( Previously known as Contact Group)	£13,601.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00798	Complete	23/04/2021	Customer & Digital Services	Transport Software	Routewise Timetable Production Module, Licence and Maintenance	Trapeze Group	£38,000.00	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00799	Complete	23/04/2021	Chief Executive	Memberships	The Copyright Licensing Agency Public Administration Licence	The Copyright Licensing Agency Public Administration	£10,073.00	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00801	Complete	27/04/2021	People & Communities	Placement	Contract for Residential Placement	Protea Care Limited	£187,500.00	Yes	Compliant Procurement Routes Exhausted
E00803	Complete	28/04/2021	Customer & Digital Services	Payments Software	Capita Pay360 E-Payments Transaction Costs 2021-2022	Capita Business Services Ltd	£105,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00804	Complete	28/04/2021	Customer & Digital Services	Revs and Bens Software	Capita Revenues & Benefits Annual Maintenance Licence	Capita Business Software Services Ltd	£104,840.00	Yes	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00802	Complete	28/04/2021	Customer & Digital Services	Data Security Software	ARCserve Licence Renewal	Computacentre (UK) Ltd	£89,008.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00807	Complete	17/05/2021	Customer & Digital Services	N/A	Housing Enforcement Training	Upkeep Training	£6,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00808	Complete	17/05/2021	Customer & Digital Services	People Planner Software	Access UK Ltd- People Planner Support 2021-2022	Access UK Ltd	£21,138.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00809	Complete	17/05/2021	People & Communities	Concession Contract	Aware of concession to run a Sunday car boot sale on Wellington Street Car Park	Akim Akim	£23,400.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00810	Complete	18/05/2021	People & Communities	School Tuition	Nacro 6th Day Provision	Nacro 6th Day	£44,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00811	Complete	18/05/2021	People & Communities	School Tuition	NTAS 6th Day Provision	NTAS	£60,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00812	Complete	21/05/2021	Resources	Insolvency Advice	Insolvency Advice on the Empower Loan Facility	Deloitte	£50,000.00	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00815	Complete	21/05/2021	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Harvest Life Care	Harvest Life Care	£29,565.00	No	Compliant Procurement Routes Exhausted
E00814	Complete	21/05/2021	Growth & Regeneration	Highways J15	Award of a contract to Highways England (HE) for technical review of design of the carriageway widening scheme on Junction 15 of the A1260 Nene Parkway	Highways England	£27,277.00	Yes	Sole Supplier
E00813	Complete	21/05/2021	Growth & Regeneration	Traffic Signals Software	UTC & RMS Maintenance	Siemens Mobility Ltd	£35,475.00	Yes	Proprietary goods or services
E00825	Complete	23/05/2021	People & Communities	Nurse Outreach	GP & Nurse Outreach (RSI 15)	Boroughbury Medical Practice	£78,338.00	Yes	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00827	Complete	23/05/2021	Resources	Legal Services	Pinsents Legal Contract	Pinsent Mason LLP	£25,000.00	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00826	Complete	23/05/2021	People & Communities	Externally Funded	Clare Lodge Capital Build Programme 2021/22- Contract for Technical Advisory Services	Display Energy Solutions Limited	£180,000.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00828	Complete	06/06/2021	People & Communities	Placement	Prestige Nursing & Care	Prestige Nursing & Care	£8,892.00	No	Compliant Procurement Routes Exhausted
E00832	Complete	07/06/2021	Resources	Legal Services	Teneo insolvency Advice	Teneo Restructuring Ltd	£80,000.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00829	Complete	07/06/2021	People & Communities	Placement	Norse Care Ltd	Norse Care Ltd	£16,392.00	No	Compliant Procurement Routes Exhausted
E00830	Complete	07/06/2021	Growth & Regeneration	Consultancy	Streets UK Ltd	Streets UK Ltd	£9,810.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00831	Complete	07/06/2021	Growth & Regeneration	Consultancy	Redo Consultants	Redo Consultants	£15,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00818	Complete	11/06/2021	Chief Executive	Vehicles	Purchase of New Mayor's Car	Marshalls Jaguar / LEX Autolease	£34,607.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00819	Complete	16/06/2021	Customer & Digital Services	Agresso Software	Unit 4 ERP Renewal	Unit 4	£230,000.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties

E00820	Complete	18/06/2021	Customer & Digital Services	Data and Systems Management Software	Prosperon Networks - SolarWinds Support 2021-2022	Prosperon Networks	E20,134.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00822	Complete	22/06/2021	People & Communities	Placement	Harvest Life Care	Harvest Life Care	E47,320.00	No	Compliant Procurement Routes Exhausted
E00823	Complete	22/06/2021	Growth & Regeneration	Externally Funded	Towns Fund – Feasibility Study Incubation Hub	Opportunity Peterborough Limited	E95,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00834	Complete	20/07/2021	People & Communities	Avocacy	Arrangement with Enabling Independence Service for Learning Disability and Network Team support	Enabling Independence Service	E50,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00838	Complete	22/07/2021	People & Communities	Placement	Contract for Semi Independent living placements – Crown Social Care	Crown Social Care	E17,280.00	Yes	Compliant Procurement Routes Exhausted
E00839	Complete	22/07/2021	Growth & Regeneration	Subscription	Subscription to Ox-Cam Arc	Cherwell District Council	E13,500.00	Yes	Working in partnership with another public body
E00841	Complete	22/07/2021	People & Communities	Placement	Specialist Education Support Network Ltd	Specialist Education Support Network Ltd	E17,840.00	Yes	Compliant Procurement Routes Exhausted
E00842	Complete	22/07/2021	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Prestige Nursing & Care	Prestige Nursing Care	E9,126.00	No	Compliant Procurement Routes Exhausted
E00837	Complete	22/07/2021	People & Communities	Placement	(SK) This exemption request seeks approval to increase an hourly rate in order to support an existing framework arrangement for the provision of supported living care by Atlas Care Services Limited to Service Users with complex needs	Atlas Care	E470,515.00	No	Compliant Procurement Routes Exhausted
E00835	Complete	22/07/2021	People & Communities	Placement	(JM) This exemption request seeks approval to increase an hourly rate in order to support an existing framework arrangement for the provision of supported living care by Atlas Care Services Limited to Service Users with complex needs	Atlas Care	E8,649.00	No	Compliant Procurement Routes Exhausted
E00836	Complete	22/07/2021	People & Communities	Placement	(SA) This exemption request seeks approval to increase an hourly rate in order to support an existing framework arrangement for the provision of supported living care by Atlas Care Services Limited to Service Users with complex needs	Atlas Care	E470,515.00	No	Compliant Procurement Routes Exhausted
E00844	Complete	23/07/2021	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Regional Care Support Services Limited	Regional Care	E15,061.00	No	Compliant Procurement Routes Exhausted
E00845	Complete	23/07/2021	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Regional Care Support Services Limited	Regional Care	E15,061.00	Yes	Compliant Procurement Routes Exhausted
E00846	Complete	23/07/2021	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Regional Care Support Services Limited	Regional Care	E30,123.00	No	Compliant Procurement Routes Exhausted
E00847	Complete	28/07/2021	Resources	Schools Finance Software	RM Accounts 1 year contract renewal	RM Accounts	E29,320.00	No	Proprietary goods or services
E00848	Complete	29/07/2021	Customer & Digital Services	Data Security Software	Prosperon Networks - SolarWinds Support 2021-2022	Prosperon Networks	E20,134.00	Yes	Proprietary goods or services
E00849	Complete	29/07/2021	People & Communities	Placement	Request to award a contract to Focus Care for provision of care and support for an individual on a permanent basis	Focus Care	E232,123.00	No	Compliant Procurement Routes Exhausted
E00850	Complete	29/07/2021	Customer & Digital Services	Highways Software	Confirm OnDemand Software Renewal	Confirm Solutions Limited	E49,986.00	No	Proprietary goods or services
E00852	Complete	12/08/2021	People & Communities	Events	Award of contract to Lighting and Illumination Technology Experience Limited (LITE) of Unit 2 Farrington Place, Rossendale Road Industrial Estate, Burnley, Lancs, BB11 5TY, registered under company number 04246192	Illumination Technology Experience Limited	E257,790.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00853	Complete	18/08/2021	Growth & Regeneration	Consultancy	Contract for Schools Climate Change Engagement Programme	Opportunity Peterborough Limited	E35,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00854	Complete	19/08/2021	People & Communities	Externally Funded	Lateral Flow Testing for rough sleepers and homeless people by the Light Project Peterborough	Light Project Peterborough	E9,750.00	Yes	A genuine emergency, one which is beyond the Council's control
E00856	Complete	20/08/2021	People & Communities	Placement	This exemption seeks approval to place an individual with Focus Care who are not a framework provider to deliver care and support to an individual with complex needs	Focus Care Ltd	E24,357.00	Yes	Compliant Procurement Routes Exhausted
E00859	Complete	25/08/2021	People & Communities	Externally Funded	Afghanistan Relocations and Assistance Scheme 2021 - 2022: Provider for Befriender Services	Peterborough Asylum and Refugee Community Association (PARCA Ltd)	E300,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00860	Complete	26/08/2021	People & Communities	Placement	Exemption request for the award of temporary homecare block car provision to Atlas Care Services Ltd	Atlas Care Services Ltd	E179,816.00	No	Compliant Procurement Routes Exhausted
E00862	Complete	02/09/2021	People & Communities	Placement	Exemption request seeking approval to directly award a contract for the provision of supported living care by Salitem to a Service User with complex needs	Modus Care Limited (amended 12/05/2022 at direction of Legal Services - Exemption updated)	E301,665.00	Yes	Compliant Procurement Routes Exhausted
E00864	Complete	03/09/2021	People & Communities	Short Breaks	Increasing capacity of the Community Short Breaks Circles Network Services; targeted and specialist support for children and young people with disabilities and complex needs. (Amended and signed off again October 2021 with increased capacity)	Circles Network	E19,575.00	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00863	Complete	03/09/2021	People & Communities	Trusted Assessor	Care Home Trusted Assessor	Lincolnshire Care Association	E36,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00865	Complete	09/09/2021	People & Communities	Lifeline Services	Community Alarm (Lifeline) Contract extension	Cross Keys Homes	E97,000.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties

E00866	Complete	16/09/2021	People & Communities	Third Sector Services	Interim contract required for the continued delivery of the Peterborough Stroke Association Recovery Service	The Stroke Association Recovery Service	£14,852.00	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00868	Complete	29/09/2021	Customer & Digital Services	Data Centre Systems	Sand Martin House Data Centre Support & Maintenance	CDW Limited	£93,049.00	No	Proprietary goods or services
E00870	Complete	13/10/2021	Growth & Regeneration	Consultancy	Further Descriptions by Consultant for Local List Project	MOLA	£16,265.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00869	Complete	13/10/2021	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Assisted Care Solutions Ltd	Assisted Care Solutions Ltd	£12,672.00	No	Compliant Procurement Routes Exhausted
E00872	Complete	19/10/2021	People & Communities	Externally Funded	Think Communities Fund	Cambridgeshire Community Foundation (CCF)	£9,000.00	Yes	Proprietary goods or services
E00873	Complete	25/10/2021	People & Communities	Mental Health Services	Later revised to E00947 - Provision of Department of Health and Social Care Voluntary and Community Sector Grant to deliver an expansion of the Someone To Talk To Project within Centre 33	Centre 33	£36,990.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00874	Complete	02/11/2021	People & Communities	Agency Staff	Exemption request to recruit backfill to Contract Manager maternity leave	Hays Recruitment	£56,625.00	Yes	Compliant procurement routes exhausted
E00875	Complete	02/11/2021	People & Communities	Telecare	Just Checking Assessment Tool (JCAT)	Just Checking Assessment Tool (JCAT)	£15,111.00	Yes	Proprietary goods or services
E00883	Complete	09/11/2021	Customer & Digital Services	Highways Asset Model	Yotta – Mayrise Annual Maintenance Fees 2021-2022	Yotta	£22,016.00	Yes	Proprietary goods or services
E00878	Complete	09/11/2021	People & Communities	Placement	Contract for Fostering placements – Family Works Fostering Limited	Family Works Fostering	£65,113.00	Yes	Compliant Procurement Routes Exhausted
E00880	Complete	09/11/2021	People & Communities	Placement	Residential Placement	Acorn Homes	£128,000.00	Yes	Compliant Procurement Routes Exhausted
E00881	Complete	09/11/2021	People & Communities	Placement	Residential Placement	Apex Fostering Ltd	£21,840.00	Yes	Compliant Procurement Routes Exhausted
E00882	Complete	09/11/2021	People & Communities	Placement	Cornwall College Group	Cornwall College	£5,644.00	Yes	Compliant Procurement Routes Exhausted
E00884	Complete	11/11/2021	Customer & Digital Services	Cloud Software	Cisco Meraki Enterprise Cloud Controller Subscription Licence (1 Year) Access	CDW Limited	£14,275.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00887	Complete	23/11/2021	People & Communities	N/A	Contractor to provide in-the-field Metrology training	Central Bedfordshire Council	£16,107.00	No	Compliant procurement routes exhausted
E00888	Complete	23/11/2021	Growth & Regeneration	Consultancy	Award of a contract to Royal Haskoning DHV to revise the Peterborough Car Parking Strategy	Royal Haskoning DHV	£15,000.00	Yes	Proprietary goods or services
E00891	Complete	23/11/2021	People & Communities	Placement	Portland College	Portland College	£97,727.00	Yes	Compliant Procurement Routes Exhausted
E00890	Complete	23/11/2021	People & Communities	Professional Services	Fostering Medical Adviser	Dr Tim Ladbrooke	£5,000.00	No	Proprietary goods or services
E00886	Complete	23/11/2021	People & Communities	Schools Performance Software	Exemption Report for the Procurement of ALPS School Performance Monitoring Software	Alkemy Gold Limited	£10,619.00	No	Proprietary goods or services
E00889	Complete	23/11/2021	Resources	Legal Services	Pinsent Mason Legal Contract	Pinsent Mason LLP	£65,000.00	No	Proprietary goods or services
E00893	Complete	29/11/2021	Customer & Digital Services	Social Care Case Management Software	Retrospective Exemption for PCC Liquidlogic for 1 April 2021 to 31 March 2022 annual maintenance (Includes licenses, Hosting and finance system provided from PCC)	Liquid Logic	£150,303.00	Yes	Proprietary goods or services
E00894	Complete	29/11/2021	Customer & Digital Services	Burials and Cremation Software	Burials and cremation administration software (BACAS) maintenance contract renewal	BACAS	£20,750.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00896	Complete	01/12/2021	Resources	Consultancy	Solar Rooftop Asset Portfolio – Interim Operational Contracts	Gentoo / Meter Manager / BI Electrical Systems / Alectris	£256,000.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00897	Complete	07/12/2021	People & Communities	Agency Staff	Agency Use for Education at Clare Lodge	Engage Education / Evolve Education / Tutor Doctor	£40,000.00	Yes	Compliant procurement routes exhausted
E00898	Complete	08/12/2021	People & Communities	Placement	Elysium Healthcare	Elysium Healthcare	£29,750.00	Yes	Compliant Procurement Routes Exhausted
E00899	Complete	10/12/2021	People & Communities	Placement	Hexagon Care Services	Hexagon Care Services	£56,950.00	Yes	Compliant Procurement Routes Exhausted
E00906	Complete	10/12/2021	People & Communities	Placement	Fusion Matrix Care	Fusion Matrix Care	£13,440.00	Yes	Compliant Procurement Routes Exhausted
E00900	Complete	10/12/2021	People & Communities	Externally Funded	Capital Programme Clare Lodge CL P5 – Control Panels – YP's Bedrooms	B & H Services Limited	£115,871.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00901	Complete	10/12/2021	People & Communities	Externally Funded	Capital Programme Clare Lodge CL 3 – Fire & Emergency Lighting Systems	B & H Services Limited	£221,057.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00902	Complete	10/12/2021	People & Communities	Externally Funded	Capital Programme Clare Lodge CL 1 - IPTV Visual & Security Systems	B & H Services Limited	£227,942.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00904	Complete	10/12/2021	People & Communities	E-Sourcing Software	E-Sourcing system procurement (Business Case Reference - BCS2103)	ProContract	£14,100.00	No	Proprietary goods or services
E00905	Complete	10/12/2021	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Dream Elite Care	Dream Elite Care	£26,208.00	Yes	Compliant Procurement Routes Exhausted
E00908	Complete	20/12/2021	Resources	Schools Finance Software	Contract Award for the Provision of a Schools Budget Toolkit	Orovia Group Limited	£29,880.00	No	Proprietary goods or services
E00909	Complete	04/01/2022	People & Communities	Placement	Emergency Placement for an individual with complex needs	Symbiosis Care Limited	£490,125.82	Yes	Compliant Procurement Routes Exhausted

E00912	Complete	04/01/2022	People & Communities	Third Sector Services	British Red Cross Community Support at Home	British Red Cross (over three contracts @ E41,182.90, E108,272 & E60,000)	E209,454.90	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00910	Complete	04/01/2022	People & Communities	Placement	Support and Accommodation for individual with complex needs	'Focus Care' managed by Trust Care Management Ltd	E337,709.75	No	Compliant Procurement Routes Exhausted
E00913	Complete	05/01/2022	People & Communities	Externally Funded	Peer Support Service	Light Project Peterborough	E29,925.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00911	Complete	06/01/2022	People & Communities	External Tribunal Services	Provision of SEND Tribunal Representation Support and Advice Legal Services	Gillan Legal Solutions Ltd	E65,000.00	Yes	Proprietary goods or services
E00915	Complete	11/01/2022	Resources	Burials and Cremation Software	Digital Music provision and associated services at Peterborough Crematorium	The Yaboo Company Limited (T/A Wesley Media)	E50,666.00	No	Proprietary goods or services
E00917	Complete	19/01/2022	People & Communities	Contribution to other Local Authorities	Exemption Report re The LA Contribution to the Norwich Research School for the "Making the Difference for the Disadvantaged Pupils in Peterborough" Programme.	Norwich Research School re Making the Difference for the Disadvantaged Pupils in Peterborough Project	E5,500.00	Yes	Proprietary goods or services
E00918	Complete	20/01/2022	People & Communities	Water Management	Approval to Enter into a Contract for Enfortis to provide a trial for fly tipping camera enforcement at hot spot location in Peterborough	Enfortis Limited	E8,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00919	Complete	21/01/2022	People & Communities	Events	Outsourcing of the Peterborough Great Eastern Run	Good Running Events	E21,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00922	Complete	28/01/2022	People & Communities	Child Psychology	Therapeutic Support	The Child Psychology Service	E8,925.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00923	Complete	28/01/2022	People & Communities	Externally Funded	Peterborough Music Hub: Britten Sinfonia Schools Concerts	Britten Sinfonia	E18,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00928	Complete	07/02/2022	People & Communities	Placement	Contract for Semi Independent living placements	Focus Care Supported Living Limited	E64,725.00	Yes	Compliant Procurement Routes Exhausted
E00927	Complete	07/02/2022	Growth & Regeneration	Memberships	Membership for the Consortium of East Coast Main Line Authorities	North East Combined Authority	E20,000.00	Yes	Proprietary goods or services
E00921	Complete	09/02/2022	Growth & Regeneration	Land Referencing Service	Approval to extend the Contract with TerraQuest Solutions Limited for an increased financial amount.	TerraQuest Solutions Ltd	E18,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00926	Complete	09/02/2022	Customer & Digital Services	Printers and Copiers	Renewal of ATI Rental/Support (printer for bulk payroll and cheques & summons printing)	Advanced Technologies International (ATI)	E11,400.00	No	Proprietary goods or services
E00931	Complete	15/02/2022	Growth & Regeneration	Telemetry	5 year maintenance contract with Hydro-Logic Services [International] Ltd for the improvement and ongoing maintenance of the council's current telemetry systems	Hydro-Logic Services (International) Ltd	E38,575.00	No	Proprietary goods or services
E00929	Complete	17/02/2022	Chief Executive	Externally Funded	Teaching Assistant and Early Years level 3 Apprenticeships	Peterborough College T/A Inspire Academy	E15,000.00	Yes	Proprietary goods or services
E00933	Complete	18/02/2022	Resources	Rail Infrastructure	Peterborough Station Quarter Development Project Strategic Outline Business Case for Network Rail Infrastructure Limited	Network Rail Infrastructure Limited	E140,000.00	Yes	Proprietary goods or services
E00914	Complete	18/02/2022	People & Communities	Placement	Nursing placement at Marbrook centre	The Marbrook Centre	E92,115.00	Yes	Compliant Procurement Routes Exhausted
E00930	Complete	18/02/2022	Public Health	Primary Care	Contract for the delivery of Public Health Services by Primary Care Providers (General Practice and Community Pharmacies)	Primary Care	E249,320.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00935	Complete	18/02/2022	People & Communities	Placement	Approval to support an off-framework arrangement for the provision of homecare by Helping Hands Home Care, a division of Midshires Care Limited	Helping Hands Home Care	E22,843.28	No	Compliant Procurement Routes Exhausted
E00932	Complete	18/02/2022	People & Communities	Children's Short Breaks	Extending and increasing capacity within the Peterborough Community Short Breaks contracts; targeted and specialist support for children and young people with disabilities and complex needs	PCC Community Short Breaks	E339,536.60	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00936	Complete	28/02/2022	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Care Reserve Ltd	Care Reserve Limited	E80,300.00	Yes	Compliant Procurement Routes Exhausted



E00937	Complete	02/03/2022	People & Communities	Parent Support	Purchase of Triple P Online Codes	Triple P UK	£39,000.00	No	Proprietary goods or services
E00938	Complete	03/03/2022	Resources	Consultancy	Northminster Development - Review	Arlingclose Ltd	£9,475.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00939	Complete	08/03/2022	Growth & Regeneration	Renewable Energy	Energy Recovery Facility (ERF) Power Purchase Agreement (PPA) Extension	Viridor Energy Limited	£84,000.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00941	Complete	08/03/2022	Customer & Digital Services	Payment Systems	Capita e-Payments (Pay360) Renewal	Capita Business Services Ltd	£120,705.44	No	Proprietary goods or services
E00940	Complete	09/03/2022	Customer & Digital Services	Payment Systems	Capita One & eStart Renewal	Capita Business Services Ltd	£176,311.01	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00942	Complete	15/03/2022	Customer & Digital Services	Payment Systems	PRF 780 - Capita Academy Renewal	Capita Business Services Limited	£114,353.50	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00945	Complete	16/03/2022	Growth & Regeneration	Consultancy	Peterborough Station Quarter Development Project Strategic Outline Business Case	NORR Design Commission	£74,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00943	Complete	16/03/2022	Chief Executive	Improvement Panel	Independent Improvement External Panel Member (Finance)	Darenace Ltd	£169,600.00	Yes	Proprietary goods or services
E00944	Complete	16/03/2022	Chief Executive	Consultancy	Programme Director – Sustainable Future Council	Edpool Limited	£152,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00946	Complete	16/03/2022	People & Communities	Externally Funded	Occupational Therapy Apprenticeship level 6	University of Northamptonshire	£46,000.00	No	Proprietary goods or services
E00947	Complete	21/03/2022	People & Communities	Mental Health Services	Revised version to E00873 - Provision of Department of Health and Social Care Voluntary and Community Sector Grant to deliver an expansion of the Someone To Talk To Project within Centra 23	Centre E33	£274,000.00	No	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00948	Complete	22/03/2022	Chief Executive	Externally Funded	Rehabilitation Worker (Visual Impairment) Level 5 Apprenticeship	Birmingham City University	£12,000.00	No	Proprietary goods or services
E00949	Complete	25/03/2022	Growth & Regeneration	Land Referencing Service	Approval to extend the Contract with TerraQuest Solutions Limited for an increased time period.	TerraQuest	£41,380.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00950	Complete	25/03/2022	Resources	Agency Staff	Pinsent Mason Legal Contract	Pinsent Mason LLP	£45,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00951	Complete	25/03/2022	Customer & Digital Services	Payment Systems	Business Improvement District (BID) - Billing Software and Maintenance	Capita	£19,900.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00953	Complete	31/03/2022	People & Communities	Externally Funded	Exemption for Compas	Compas	£54,520.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00954	Complete	31/03/2022	People & Communities	Externally Funded	Gladca for £15,865.38	Gladca	£15,865.38	Yes	A genuine emergency, one which is beyond the Council's control
E00955	Complete	31/03/2022	Growth & Regeneration	Memberships	Annual National Highways & Transport (NHT) Survey	Measure 2 Improve (trading name of Building Software Limited)	£75,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00956	Complete	04/04/2022	People & Communities	Externally Funded	Purchase of a system to distribute School Food Vouchers as part of the Household Support Grant (Phase 2)	Wonde Limited	£380,000.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00958	Complete	07/04/2022	Customer & Digital Services	Information @ Work Software	Maintenance and Support for Information@Work Renewal	NEC Software Solutions Ltd	£35,994.48	No	Planning work left insufficient time to tender in line with Contract Rules.
E00960	Complete	13/04/2022	Growth & Regeneration	Highways J15	Award of a contract to Interout Networks Ltd for diversionary works as part of the Carriageway widening scheme on the A1260 Nene Parkway Northbound at Junction 15	Interout Networks Ltd	£46,674.00	Yes	Sole Supplier
E00959	Complete	13/04/2022	Growth & Regeneration	Highways J15	Award of a contract to Virgin Media for diversionary works as part of the Carriageway widening scheme on the A1260 Nene Parkway Northbound at Junction 15	Virgin Media	£58,360.30	Yes	Sole Supplier
E00961	Complete	14/04/2022	Growth & Regeneration	Abnormal Loads Software	Abnormal Load Management (Highways)	Cascade Software	£15,176.00	No	Sole Supplier
E00962	Complete	19/04/2022	People & Communities	Primary Care	GP & Nurse Outreach	Boroughbury Medical Practice	£78,338.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00964	Complete	21/04/2022	Resources	Consultancy	Gerald Eve – Report Refresh	Gerald Eve LLP	£7,000.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E00963	Complete	21/04/2022	Growth & Regeneration	Wildlife	Service Agreement for Provision of Services between The Wildlife Trust BCN and Peterborough City Council Natural and Historic Environment Team 1st April 2022 - 31st March 2023	The Wildlife Trust for Bedfordshire Cambridgeshire and Northamptonshire	£42,150.00	Yes	Sole Supplier
E00965	Complete	28/04/2022	Chief Executive	Externally Funded	MSc Spatial Town Planner level 7 Apprenticeship	University College London	£54,000.00	No	Proprietary goods or services
E00971	Complete	05/05/2022	People & Communities	Improvement Panel	Independent Improvement External Panel Member (Service – Chris Naylor)	Inner Circle Consulting Limited, (Company Reg 06799707)	£92,160.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00966	Complete	11/05/2022	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Easy Like Sunday Morning Limited	Easy Like Sunday Morning Ltd	£45,625.00	Yes	Compliant Procurement Routes Exhausted
E00967	Complete	11/05/2022	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Easy Like Sunday Morning Limited	Easy Like Sunday Morning Limited	£10,950.00	Yes	Compliant Procurement Routes Exhausted

E00968	Complete	11/05/2022	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Easy Like Sunday Morning Limited.	Easy Like Sunday Morning Limited	£30,472.00	Yes	Compliant Procurement Routes Exhausted
E00969	Complete	11/05/2022	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Support 4 U Healthcare Ltd. 11789025	Support 4 U Healthcare Ltd, 11789025	£13,483.10	Yes	Compliant Procurement Routes Exhausted
E00970	Complete	11/05/2022	Customer & Digital Services	Transport Software	Routewise Licence and Maintenance	Trapeze Group (UK) Ltd	£19,979.36	Yes	An extension to an existing contract where: (j) a change of supplier would cause disproportionate technical difficulties
E00973	Complete	13/05/2022	Resources	Agency Staff	Interim Head of Property	Contract 1 - CIPFA Business Ltd	£117,000.00	Yes	Proprietary goods or services
E00973	Complete	13/05/2022	Resources	Agency Staff	Interim Finance Manager	Contract 2 - CIPFA Business Ltd	£117,000.00	Yes	Proprietary goods or services
E00974	Complete	13/05/2022	Resources	Agency Staff	Director of Resources and S151 Officer	CIPFA Business Ltd	£136,500.00	No	Proprietary goods or services
E00975	Complete	20/05/2022	People & Communities	Placement	Approval to Enter into a Contract for Services to be Received in a Care home with Askham Services Limited.	Askham Services Limited (registration number 12952258)	£484,224.00	No	Compliant Procurement Routes Exhausted
E00976	Complete	20/05/2022	People & Communities	Events	Award of contract to Dash Events Ltd (11587638) for an Ice Rink to be delivered, constructed and operated during the festive period of 2022 at Cathedral Square in Peterborough	Dash Events Limited (company number 11587638)	£130,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E00977	Complete	25/05/2022	Chief Executive	Training	Hay Job Evaluation Training	Korn Ferry	£12,000.00	No	Sole Supplier
E00978	Complete	30/05/2022	Chief Executive	Externally Funded	Community Activator Coach and Property Maintenance level 2 Apprenticeships (Eve)	Peterborough College T/A Inspire Academy	£21,000.00	No	Proprietary goods or services
E00979	Complete	30/05/2022	Chief Executive	Externally Funded	Community Activator Coach and Property Maintenance level 2 Apprenticeships (Leighton)	Peterborough College T/A Inspire Academy	£15,000.00	No	Proprietary goods or services
E00980	Complete	08/06/2022	Growth & Regeneration	Externally Funded	Peer Support LPP	Light Project Peterborough	£19,266.75	Yes	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E00981	Complete	10/06/2022	People & Communities	Externally Funded	Contract Age UK Cambridgeshire and Peterborough to co-ordinate pensioner financial support element of the Household Support Fund	Age UK Cambridgeshire and Peterborough	£18,000.00	No	Unforeseen changes relating to our statutory duties or Council priorities that have arisen that must be addressed immediately.
E00982	Complete	13/06/2022	People & Communities	Externally Funded	Contract Citizens Advice Peterborough to co-ordinate vulnerable adults vouchers element of the Household Support Fund.	Citizens Advice Peterborough (CAP)	£13,600.00	No	Unforeseen changes relating to our statutory duties or Council priorities that have arisen that must be addressed immediately.
E00983	Complete	13/06/2022	People & Communities	Aragon Transport	Contract award for transport of individuals to SENSE College, Peterborough	Peterborough Limited t/a Aragon Direct Services	£65,442.36	Yes	Proprietary goods or services

E00984	Complete	13/06/2022	Chief Executive	Improvement Panel	Independent Improvement External Panel Member (Governance)	Andrew Flockhart Consulting Ltd, (Reg12985170)	£57,600.00	Yes	Proprietary goods or services
E00985	Complete	13/06/2022	Chief Executive	Improvement Panel	Independent Improvement External Panel Member (CHAIR)	Eleanor Kelly	£93,600.00	Yes	Proprietary goods or services
E00986	Complete	13/06/2022	Growth & Regeneration	Homelessness	Provision of Housing Related Support to Homeless Households accommodated at Elizabeth Court	Cross Keys Homes	£73,392.28	No	Proprietary goods or services
E00988	Complete	15/06/2022	Chief Executive	Externally Funded	Community Activator Coach and Teaching Assistant Apprenticeships	Peterborough College T/A Inspire Academy	£11,000.00	No	Proprietary goods or services
E00989	In Progress	15/06/2022	Chief Executive	Externally Funded	2 x Community Activator Coach Apprenticeships (Winyates)	Peterborough College T/A Inspire Academy	£12,000.00	No	Proprietary goods or services
E00990	Complete	20/06/2022	Chief Executive	Externally Funded	2 x Maintenance Engineer Apprenticeships (Westcombe)	Peterborough College T/A Inspire Academy	£54,000.00	No	Proprietary goods or services

E00987	Complete	22/06/2022	Chief Executive	Recruitment Services	Senior Executive Search Services	Penna PLC	£130,416.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00996	Complete	22/06/2022	Chief Executive	Externally Funded	Level 3 Early Years Practitioner Apprenticeships	Peterborough College T/A Inspire Academy	£18,000.00	Yes	Proprietary goods or services
E00991	Complete	24/06/2022	People & Communities	Placement	Contract for Hospital education placement – Aspris Children's Care	Aspris	£54,562.50	Yes	Compliant Procurement Routes Exhausted
E00992	Complete	24/06/2022	Chief Executive	Mental Health Services	Approval to Enter into a Contract for Employee Assistance Programme Services from Health Assured	Health Assured Ltd	£9,515.76	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E00993	Complete	27/06/2022	Resources	Treasury Services	Property Fund Selection Service	Link Group	£8,500.00	No	Proprietary goods or services
E00994	In Progress	27/06/2022	People & Communities	Professional Services	Regulation 44	Graham Social Care & Education Limited	£5,400.00	Yes	Proprietary goods or services
E00997	Complete	28/06/2022	People & Communities	Local Offer Software	IDOX contract to include upgrade for Peterborough site and hosting of Cambridgeshire Local Offer	Idox Software Limited ('Idox')	£93,433.00	Yes	Proprietary goods or services

E00998	Complete	28/06/2022	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Active Assistance	Active Assistance	E104,065.15	Yes	Compliant Procurement Routes Exhausted
E00999	In Progress	28/06/2022	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Cambridgeshire Homecare	Cambridgeshire Homecare Ltd	E14,860.71	Yes	Compliant Procurement Routes Exhausted
E001000	Complete	30/06/2022	Growth & Regeneration	Externally Funded	Outspoken Training contract extension (1 September 2022 to 31 March 2023) for delivery of Bikeability training	Outspoken Training	E59,391.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E001001	Complete	01/07/2022	People & Communities	Externally Funded	Request for approval for 'Looked After Call' attendance services to the Peterborough Virtual School for Children in Care to continue	Looked after Call by IRIS for Peterborough City Council Virtual School - Company Number 0629538	E15,561.00	Yes	Proprietary goods or services
E001002	Complete	05/07/2022	Growth & Regeneration	Externally Funded	Safe Sleeping Spaces – A Rough Sleeper Initiative	Light Project Peterborough	E25,139.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E001005	Complete	06/07/2022	Chief Executive	Health Assurance	Approval to Enter into a Contract for Employee Assistance Programme Services from Health Assured	AXA Health	E6,500.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.

E001006	Complete	06/07/2022	Resources	Making Tax Digital Software	Implementation of the Making Tax Digital Module on Unit 4 (Agresso) for Peterborough City Council and the Cambridgeshire and Peterborough Combined Authority (CPCA)	Unit 4 (Agresso)	£5,000.00	Yes	Proprietary goods or services
E001013	In Progress	12/07/2022	People & Communities	Education	Additional Tutoring Resource for Children in Care	Randstad Central Delivery Team - Virtual Schools	£6,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E001008	Complete	13/07/2022	People & Communities	Finance in place from childrens placement budget	Contract for Residential Home placement	A Wilderness Way Ltd	£222,649.00	Yes	Procurement routes exhausted
E001010	Complete	13/07/2022	People & Communities	Placement	Contract for interagency Adoption Placement – Jigsaw Adoption – 09172398		£1,788.00	Yes	Compliant Procurement Routes Exhausted
E001011	Complete	13/07/2022	People & Communities	Externally Funded	Extension of Contract for Befriender Services relating to the Afghanistan Relocations	Peterborough Asylum and Refugee Community Association (PARCA Ltd)	£150,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E001012	Complete	13/07/2022	Chief Executive	Externally Funded	Level 7 Senior Leader Apprenticeship to be awarded to Anella Ruskin University	Anglia Ruskin University for apprenticeship tuition	£28,000.00	No	Proprietary goods or services
E001014	Complete	13/07/2022	Customer & Digital Services	Highways Software	Contract for Highway Services Software	Brighly Software Limited ( previously known as Confirm Solutions Ltd)	£268,328.05	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E001016	In Progress	18/07/2022	People & Communities	Clare Lodge	Supply 'safe' acoustic panels to Clare Lodge Secure Home	Care Display	£5,450.00	No	Planning work left insufficient time to tender in line with Contract Rules.

E001015	Complete	19/07/2022	Chief Executive	Improvement Panel	Independent Improvement External Panel Member	Cavalry Ltd	£41,400.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E001017	Complete	22/07/2022	Resources	Agency Staff	Procurement Specialist	Till Hill	£51,728.00	No	Compliant procurement routes exhausted
E001018	Complete	26/07/2022	Customer & Digital Services	ICT	Web Security Licence Renewal	Smoothwall Ltd (511982)	£11,950.00	Yes	Proprietary goods or services
E001019	In Progress	29/07/2022	People & Communities	Public Health	Extension to National Childbirth Trust Breastfeeding Peer Support contract across Cambridgeshire & Fenland	Breastfeeding Peer Support Service	£26,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E001020	Complete	29/07/2022	People & Communities	Training	Direct contract award for the provision of Eating Disorders training to professionals and young people	Personalised Eating Disorder Support Charity - PEDS	£17,000.00	No	Proprietary goods or services
E001021	Complete	29/07/2022	Growth & Regeneration	Highways J15	Award of a contract to Vodafone for diversionary works as part of the Carriageway widening scheme on the A1260 Nene Parkway Northbound at Junction 15	Vodafone	£53,419.83	No	Sole Supplier
E001022	Complete	29/07/2022	People & Communities	Trusted Assessor	Care Home Trusted Assessor Service	Lincolnshire Care Association (LinCA)	£15,000.00	No	Proprietary goods or services
E001023	In Progress	02/08/2022	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homeware by Support4U	Support4U	£13,853.84	Yes	Compliant Procurement Routes Exhausted
E001025	In Progress	02/08/2022	People & Communities	Placement	Educational Placement	Work Connections	£23,940.00	No	Compliant Procurement Routes Exhausted
E001024	Complete	03/08/2022	People & Communities	Hackney Licencing	Licensing - Urgent Renewal Works Income related	XANDER TALENT	£45,000.00	No	Compliant procurement routes exhausted
E001026	Complete	03/08/2022	Resources	Placement	Accommodation for Unaccompanied Asylum-Seeking Children (UASC) for 12-month block contract agreement	Kenley Health Care Limited	£151,008.00	No	Compliant Procurement Routes Exhausted
E001027	Complete	03/08/2022	Chief Executive	Consultancy	Transition Lead	Certainty Consultants Limited	£105,000.00	No	Planning work left insufficient time to tender in line with Contract Rules.
E001028	In Progress	03/08/2022	People & Communities	Placement	Educational Placement	Bedazzled Arts	£13,154.00	No	Compliant Procurement Routes Exhausted

E001029	In Progress	05/08/2022	People & Communities	Placement	Provision of homecare by J & M Healthcare Ltd	J & M Homecare	£8,623.13	Yes	Compliant Procurement Routes Exhausted
E001030	Complete	08/08/2022	Growth & Regeneration	Professional Services	Award of a contract to Savills UK for third party professional services as part of the (A1260) Nene Parkway Junction 15 Improvement Project (NENE J15/CMNA/22)	Nene Park Trust (NPT)	£10,500.00	No	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties
E001032	Complete	12/08/2022	People & Communities	Enforcement	City Centre Marshals: Trial of six months of contract with Carter Solutions and Services Ltd (CSS (Carter Solutions and Services))	Carter Solutions and Services Ltd	£70,580.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E001031	In Progress	15/08/2022	Growth & Regeneration	Professional Services	LABC plan assessment service	LABC Plan assessment service	£22,000.00	Yes	Planning work left insufficient time to tender in line with Contract Rules.
E001033	In Progress	19/08/2022	People & Communities	Placement	Approval to support an off-framework arrangement for the provision of homecare by P & B SHADWELL LTD AKA PBS Care	P & B SHADWELL LTD	£42,431.25	Yes	Compliant Procurement Routes Exhausted
E001034	In Progress	27/08/2022	Resources	Agency Staff	Interim Finance Manager Extension	CIPFA Business Ltd	£61,000.00	Yes	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E001035	In Progress	27/08/2022	Resources	Agency Staff	Interim Head of Property Extension	CIPFA Business Ltd	£90,000.00	Yes	Unavoidable temporary extension of existing contractual arrangement to allow preparation for future competition, in line with a prior agreed strategy
E001036	In Progress	30/08/2022	Customer & Digital Services	ICT	RM Accounts 1 year contract renewal	RM Education 01148594	£29,320.00	Yes	An extension to an existing contract where: (i) a change of supplier would cause disproportionate technical difficulties



Reference no	Title	Department	Description	Start date	End date	Total Value	Annual Value	Supplier
ONS37683	Franking machine & inserter machine for Sand Martin House	Resources	Franking machine & inserter machine for Sand Martin House	24/04/21	25/04/23	£9,254.40	£4,627.20	Pitney Bowes Limited
ONS38080	Common Database	Place and Economy	Dyniq's Urban Traffic Management & Control System, IMCity, is a platform for monitoring and controlling assets and subsystems relevant to the management of a road network. The system architecture is based on the UTM Framework Specification and implements many of the data models and interfaces described therein. For this reason, it is often referred to as a 'UTMC System' or 'UTMC Common Database'	01/04/21	31/03/23	£26,520.00	£15,600.00	Swarco UK & Ireland Ltd (Formerly Dyniq UK Ltd)
ONS44435	Integrated Community Equipment Services - PRF 625	People and Communities	Integrated Community Equipment Services across Peterborough & Cambridgeshire	01/04/22	31/03/22	£59,000,000.00	£0.00	NRS Healthcare
ONS44541	PRF 563 - Idox Uniform Software	Customer and Digital Services	Document Management Software	01/04/21	31/03/24	£254,775.00	£90,000.00	Idox Software Ltd
ONS47934	Resourcelink Human Resources and Payroll Software	Customer and Digital Services	People Management software to enable HR departments to manage staff co-hort	26/06/21	26/06/23	£254,090.00	£116,820.00	Zellis
ONS53875	IT Service Management System (Cloud Hosted)	Customer and Digital Services	Help Desk recoding, management and resolution for all IT issues experienced by users in Peterborough City Council and Cambridgeshire County Council	30/06/21	29/06/23	£82,363.84	£77,163.84	Hornbill Service Management Limited
ONS54168	AWS Server Hosting	Customer and Digital Services	Amazon Elastic Cloud (Amazon EC2)	03/05/21	31/05/23	£520,000.00	£520,000.00	Amazon Web Services EMEA SARL
ONS58370	PRF 628 Provision of Floating support officers to support c.240 client	People and Communities	Contract Scope  This is a 8 month contract from 1st August 2021 until 31st March 2022 funded by grant income from the Ministry of Housing Communities and Local Government, (MHC/G) from the Rough Sleeper Initiative (RSI) funding. Initially this contract will last for 8 months, however there is a possibility that this contract could be extended for 12 months (31st March 2023) if further RSI funding is extended and awarded to the Local Authority.  The provision of floating support team to support c.240 rough sleepers in the following settings - • Emergency Accommodation • Short term hostels • Private rented and social tenancies • Supported accommodation  Support will be holistic and meet the client's individual needs. It may include: • Negotiation with landlords to any reported issues or concerns • Signposting to other agencies including drug/alcohol/GP support • Ensuring rent is paid directly to the landlord • Setting up of benefits • Setting up of utilities • Keeping up to date records of actions • Reporting back to the co-ordinator issues/concerns/good practice • Liaison with Novusio Naps.ac and when needed	01/08/21	31/03/22	£449,083.67	£179,633.67	People, Potential, Possibilities
ONS64335	PRF 969 PCC and Euri UK - Call Off Agreement RM3821	Customer and Digital Services	Renewal of ArcGIS software maintenance contract	02/08/21	01/08/23	£214,399.10	£59,381.17	ESRI (UK) Limited
ONS69748	PRF 764 - Jigsaw ARA Module	Customer and Digital Services	Additional Module to Jigsaw for the Accommodation Rent Accounting	01/06/21	31/05/23	£20,000.00	£15,000.00	Housing Partners Ltd
ONS70184	Pseudo DPS - Early Intervention & Prevention	People and Communities	Pseudo DPS enabling people to maintain their independence and stay living at home or within their family for longer. Receive appropriate information and advice to support the principles of shared decision making with service users, carers and families.  The supplier has secured a place on Lot 1, 2, 3 & 4	03/05/21	02/05/26	£21,000,000.00	£3,230,769.00	Age UK Cambridgeshire and Peterborough; Alzheimers Society; British Red Cross; Cam Sight; Cambridgeshire Deaf Association; Cambridgeshire Hearing Help CIC; Care Network Cambridgeshire; Caring Together Charity; Cera Care Operations Ltd; HomeLink Healthcare Ltd; Huntingdonshire Society for the Blind; Hunts Forum of Voluntary Organisations; Peterborough Sight; Stroke Association; Cambridgeshire, Peterborough and South Lincolnshire (CPSL) Mind; PEOPLE POTENTIAL POSSIBILITIES
ONS70247	PRF 838 - GovService Digital Platform Service	Customer and Digital Services	Cloud Software (SAAS) that enable online forms to be designed and published via portals or other websites	16/09/21	23/08/23	£75,100.00	£36,425.00	GRANICUS-FIRMSTEP Ltd
ONS71238	Comtec Data Centre Support - Inspection and additional support and Environmental Structureware	Customer and Digital Services	Comtec Data Centre Support - Inspection and additional support and Environmental Structureware	01/10/20	30/09/22	£93,049.00	£93,049.00	CDW
ONS71265	CCC Payment for PCC ContrOCC	Customer and Digital Services	CCC Payment for PCC ContrOCC	03/11/20	31/03/22	£10,111.26	£4,289.01	LiquidLogic via CCC
ONS71266	MLL EastNet WAN Managed Services	Customer and Digital Services	MLL EastNet WAN Managed Services	01/12/18	30/11/23	£27,694.00	£5,526.80	MLL Telecom (S10117)
ONS71268	Zengenti - PCC Contribution to CCC	Customer and Digital Services	Zengenti - PCC Contribution to CCC	19/09/19	18/09/22	£14,496.00	£14,496.00	Cambridgeshire County Council (502507)
ONS71270	Zoho Assist	Customer and Digital Services	Zoho Assist	19/03/21	18/03/22	£400.00	£400.00	Zoho
ONS71273	Peterborough Highways Service	Place and Economy	Peterborough Highways Infrastructure Service	10/01/13	30/09/34	£500,000,000.00	£25,000,000.00	Milestone Infrastructure Ltd
ONS71275	Dog Warden Services	People and Communities	Dog Warden Services	01/04/21	31/03/24	£390,000.00	£75,000.00	Midland Environment Contracts
ONS71277	Provision of Transportation, Sorting and Onward Sale for Reprocessing of Recyclable Materials	Resources	Provision of Transportation, Sorting and Onward Sale for Reprocessing of Recyclable Materials	01/09/14	31/08/24	£6,000,000.00	£600,000.00	Amey LG Limited
ONS71279	Mail Delivery and Collection Services	Resources	Mail Services - Collection of 2nd class postage from Sand Martin House	01/04/21	31/03/22	£150,000.00	£150,000.00	Whistl UK
ONS71280	Direct Payments Support Service	People and Communities	Direct Payments Management and Management of Personal Assistant Register	01/04/20	31/03/23	£374,863.00	£129,954.00	Peterborough Council for Voluntary Service
ONS71282	Entry into and incorporation of the Local Enterprise Partnership	Growth and Regeneration	Funding agreement - the LEP manages, channels and disseminates funding from Government	20/04/12	31/03/22	£300,000.00	£300,000.00	Greater Cambridge Greater Peterborough Enterprise Partnership LTD
ONS71285	Integrated Healthy Lifestyles	People and Communities	The health of people in Peterborough is generally worse than the England average. A review of the overarching indicators within the Public Health Outcome Framework demonstrates a RAG rating of Red across four of the six life expectancy indicators. Furthermore, life expectancy is not uniform across the City with variations of up to nine years in life expectancy evident between wards that are geographically close.	01/04/17	31/03/22	£4,208,923.00	£850,000.00	Solutions 4 Health Ltd
ONS71288	Services Agreement for the Provision of Community Based Supported Living	People and Communities	Provision of supported living services for people with mental health and learning disabilities	01/04/17	31/03/22	£10,500,000.00	£1,500,000.00	Turning Point Services Ltd
ONS71289	Lease Vehicles - 4 x Kia Ceed's	People and Communities	4 Kia Ceed's Lease Cars for Passenger Transport Operations. Primary use will be for Children's Social care journeys.	01/08/17	31/03/22	£44,573.00	£14,858.00	Lex Autolease
ONS71290	Lease Vehicles - Nissan Navara	Growth and Regeneration	The Local Highway Authority has a statutory duty to consider road adoption applications under various sections of the Highways Act 1980. The later part of the application process is to carry out regular site inspections from early on and throughout the duration of the highway works. The early stages on site often involve driving on and around temporary routes, which in poor weather are often muddy and unlevel making manoeuvring in a standard vehicle difficult. The Highway Control Team have for many years, over 12 years to my knowledge, leased a 4x4 type vehicle for the purpose stated above.	01/08/17	31/03/22	£14,666.00	£3,667.00	Lex Autolease
ONS71291	Lease Vehicles - Citroen Berlingo	Growth and Regeneration	The purchase of a new van for work within Parking services, this should be a two seater small sized van type vehicle. It should have a side opening door and run on diesel.	01/08/17	31/03/22	£7,745.00	£1,575.00	Lex Autolease
ONS71292	Short Breaks Service	People and Communities	Short Breaks Service	01/04/19	31/03/23	£223,260.00	£74,420.00	Scope
ONS71293	Short Breaks Service	People and Communities	Short Breaks Service	01/04/19	31/03/23	£143,946.00	£47,982.00	Circles Network
ONS71294	Short Breaks Service	People and Communities	Short Breaks Service	01/04/19	31/03/23	£150,000.00	£50,000.00	Circles Network
ONS71295	Education Audiology specialist professional course	People and Communities	Only course in UK, potentially Europe. Specialist qualification in an area that bridges education and health for hearing impaired needs from 0-25 alongside enabling specialist guidance to schools regarding acoustically suitable learning environments.	01/09/16	31/03/22	£7,000.00	£3,500.00	Mary Hare School
ONS71298	Build, Operate and Maintain Energy from Waste Facility	Resources	Build, Operate and Maintain Energy from Waste Facility	21/12/15	20/12/45	£75,000,000.00	£2,500,000.00	Viridor Peterborough Ltd
ONS71301	Service Agreement for 3x FTL Cremators and Flue Gas Treatment Plant - labour	Resources	Contract for the annual serving of 3 Facultative Cremators, 1 Triple Flue Gas Treatment Plant, Cremulator, Ash Transfer Cabinet and Coffin Loader.	23/02/17	31/03/22	£32,718.00	£10,906.00	Facultative Technologies Ltd
ONS71304	Cremator Spares, Consumables and refractory brickwork Agreement	Resources	Award of Contract to: Facultative Technologies Limited (FTL) to supply all spares, consumables and materials required to operate, service and maintain 2 x FTL & 1x FT III cremators, triple flue gas treatment plant, coffin loader, high speed cremulator and ash transfer cabinet. The contract will also include the supply and labour to replace refractory brickwork requirements as these are an integral element of the design and performance of the cremators.	30/06/17	31/03/22	£181,015.00	£60,339.00	Facultative Technologies Ltd
ONS71307	Children and Young People Mediation Service	People and Communities	Mediation Service for children's service	06/01/19	04/01/23	£120,000.00	£30,000.00	KIDS
ONS71308	Breast Feeding Peer Support	People and Communities	Breast Feeding Peer Support	01/04/20	31/03/22	£76,050.00	£23,350.00	National Childbirth Trust
ONS71310	Gas Supply Contract	Resources	Gas Energy Supply to PCC Properties	01/10/21	31/10/23	£1,449,000.00	£362,142.00	CORONA ENERGY LTD
ONS71311	Provision of Operational Banking Services	Resources	Supply of operational banking services i.e. processing direct debits, BACS transfers, dealing with cheques, withdrawals and payments in respect of all current and future Peterborough City Council Accounts	01/11/20	31/10/22	£75,000.00	£37,500.00	Barclays Bank Plc
ONS71312	Provision of a Dementia Resource Centre	People and Communities	Dementia Resource Centre - this is part of plans to review and relocate In House Day Services Provision operating across 3 sites to 1 site all from the Dementia Resource Centre	01/04/21	31/03/23	£558,000.00	£186,000.00	Alzheimer's Society
ONS71314	Provision of a Residential and Nursing Respite Service for people with a Learning Disability	People and Communities	Residential and nursing for LD - Respite Lyons Gardens	01/05/21	30/04/22	£789,288.00	£789,288.00	Augusta Care Limited
ONS71315	Provision of Extra Care (Spinney)	People and Communities	Extra Care Housing in Spinney	27/07/20	27/02/23	£1,080,000.00	£400,000.00	Longhurst Housing Group
ONS71316	Provision of Extra Care (Frary Court)	People and Communities	Extra Care Housing at Frary Court	27/07/20	27/02/23	£1,080,000.00	£400,000.00	Longhurst Housing Group
ONS71318	Provision of Extra Care (Pavillions)	People and Communities	Extra Care at the Pavillions	26/07/20	27/02/23	£1,080,000.00	£400,000.00	Longhurst Housing Group
ONS71319	Services Agreement for the Provision of a Hospital Discharge Service	People and Communities	Support to people on hospital discharge	03/05/21	02/05/26	£148,139.00	£37,035.00	British Red Cross
ONS71320	Section 75 - Provision of Social Work Staff (SW & STW)	People and Communities	Staff (SW & STW) provided by CPFT	01/04/14	31/03/99	£1,241,366.00	£413,789.00	Cambridgeshire & Peterborough NHS Foundation Trust
ONS71321	Extra Care (Bishopfield)	People and Communities	Extra Care at Bishopfield	26/07/21	01/06/24	£783,000.00	£261,000.00	Hales Group Ltd
ONS71325	Extra Care (St Edmunds)	People and Communities	Extra Care for St Edmunds	26/07/21	01/06/24	£780,000.00	£260,000.00	Hales Group Ltd
ONS71326	Section 75 - IBCF Grant monies	People and Communities	Agreement to fund various activities designed to integrate Health and Social Care Activities as part of the Better Care Fund Programme	01/04/21	31/03/22	£40,000,000.00	£4,000,000.00	NHS CAMBRIDGESHIRE AND PETERBOROUGH CCG
ONS71328	Integrated Community Equipment Service	People and Communities	Community Equipment	01/04/14	31/03/22	£2,889,250.00	£412,750.00	NHS
ONS71329	Provision of MCA & DOLS Advocacy	People and Communities	Mental Capacity Act (MCA) 2005, including the incorporated Deprivation of Liberty Safeguards (DOLS), place a duty upon local authorities to ensure that all qualifying individuals over the age of 16 (or 18 in case of DOLS/IMCA - Independent Mental Capacity Advocates), have access to an IMCA, Lead Provider for whole of Cambridgeshire	20/10/21	21/10/23	£511,088.00	£255,544.00	Voiceability Advocacy
ONS71330	Integrated Substance misuse Service for Adult and Young People	People and Communities	Integrated Substance misuse Service for Adult and Young People	01/04/16	31/03/23	£5,572,834.00	£2,786,417.00	Change Grow Live (CGL)
ONS71331	Private Finance Initiative (including hard and soft facilities management services) for Jack Hunt, Voyager and Ken Simpson Schools	People and Communities	PFI contract covering 3 schools - Jack Hunt, Voyager & Ken Simpson i/c manage the contract on behalf of the investors. Bouygues manage the hard and soft FM requirements/services for the 3 schools - cleaning, security, maintenance, any repairs that are reasonably required	01/04/05	31/03/35	£284,283,870.00	£9,476,129.00	IC by Education
ONS71335	Street Lighting Annual Maintenance	Growth and Regeneration	Mayrise (PO)	01/04/21	31/03/23	£16,969.00	£16,969.00	Votta Ltd
ONS71345	Provision of Legal Support	Resources	Provision of legal support to Chief Exec Services for 12 months to meet the gap in provision from the approved supplier.	17/10/17	31/03/22	£13,620.00	£13,620.00	Interim Lawyers (T/A - Ten-Percent.co.uk Limited)
ONS71366	Support Services for the Deafblind	People and Communities	Support Services for the Deafblind	01/04/13	31/03/23	£57,982.00	£28,991.00	Deafblind UK
ONS71356	Design, Build, Operation & Management of a Household Recycling Centre (HRC)	Resources	Design, Build, Operation & Management of a Household Recycling Centre (HRC)	02/01/18	18/02/29	£10,289,938.00	£900,000.00	FCC Waste Services (UK) Limited
ONS71357	Care & Repair Services	People and Communities	Repair and alterations to people's homes to ensure continued independence	03/01/19	02/01/23	£16,000,000.00	£4,000,000.00	Care and Independence Ltd; Carson Building Services; Garfield Builders; Gaswise Ltd; Mablethorpe and Mooney Ltd; Lindum Group; Martin Greaves; Morely Building Services; PFS Builders and Contractors; Premier Mobility Ltd; Prism UK Medical; Sovereign Property Services
ONS71361	Treatment of Street Sweepings collected for Recycline.	Resources	Treatment of Street Sweepings collected for Recycling.	31/08/20	31/03/22	£90,000.00	£90,000.00	Invison Limited
ONS71362	Provision of Food Waste Treatment Services	Growth and Regeneration	Food Waste Treatment	01/04/20	31/03/25	£542,432.00	£67,804.00	Severn Trent Green Power Group Ltd
ONS71363	Supported Accommodation at Eastfield Road	People and Communities	Supported Accommodation at Eastfield Road	01/04/21	31/03/23	£91,000.00	£91,000.00	Home Group Ltd
ONS71366	Cash Collections	People and Communities	Call off from a public available framework.	01/02/21	31/03/24	£25,000.00	£75,000.00	Jade Security Services Limited
ONS71369	Provision of Adult PACE Services	People and Communities	Provision of Adult PACE Services	01/04/19	31/03/23	£317,214.00	£105,738.00	Cambridgeshire County Council
ONS71372	Hindu community religious and cultural support group	People and Communities	Hindu community religious and cultural support group	01/04/21	31/03/23	£7,149.00	£7,149.00	Bharat Hindu Samaj

DNS71373	Support Groups for the Deaf in Cambridgeshire 4 year funding agreed rolling agreement	People and Communities	Support Groups for the Deaf in Cambridgeshire 4 year funding agreed rolling agreement	01/04/21	31/03/23	£8,596.00	£8,596.00	Cambs Deaf Association
DNS71374	Lunch Club Support for the Italian Community in Peterborough provided by Age UK to support accommodation and administration.	People and Communities	Lunch Club Support for the Italian Community in Peterborough provided by Age UK to support accommodation and administration.	01/04/21	31/03/23	£3,780.00	£3,780.00	FILEF (T/A - FEDERATION OF ITALIAN WORKERS AND FAMILIES)
DNS71375	Services and support for people with brain injuries	People and Communities	Services and support for people with brain injuries	01/04/19	31/03/23	£4,500.00	£4,500.00	Headway Cambridgeshire
DNS71380	Parent Carer Forum	People and Communities	Parent Carer Forum	01/04/21	31/03/25	£312,000.00	£78,000.00	Family Voice Peterborough
DNS71383	The Cresset	People and Communities	The Cresset	01/04/21	31/03/23	£58,357.00	£58,357.00	Cambs & Pboro YMCA
DNS71384	Time Stop	People and Communities	Time Stop	01/04/21	31/03/23	£191,703.00	£191,703.00	Cambs & Pboro YMCA
DNS71386	Temporary Accommodation	People and Communities	Temporary Accommodation	01/04/21	31/03/23	£99,109.00	£99,109.00	Cross Keys Homes
DNS71388	150 Mayors Walk (Flats)	People and Communities	150 Mayors Walk (Flats)	01/04/21	31/03/23	£11,546.00	£11,546.00	Genesis Housing Association
DNS71389	150 Mayors Walk (House)	People and Communities	150 Mayors Walk (House)	01/04/21	31/03/23	£46,520.00	£46,520.00	Springboard
DNS71391	Eastlands	People and Communities	Eastlands	01/04/21	31/03/23	£73,375.00	£73,375.00	Home Group (Stonham)
DNS71392	Floating Support (Priority & Prolific Offenders)	People and Communities	Floating Support (Priority & Prolific Offenders)	01/04/21	31/03/23	£17,600.00	£17,600.00	P3
DNS71394	STORM Floating Support (Persistant & Prolific Offenders & Substance Misuse)	People and Communities	STORM Floating Support (Persistant & Prolific Offenders & Substance Misuse)	01/04/21	31/03/23	£17,600.00	£17,600.00	P3
DNS71395	Floating Support Service	People and Communities	Floating Support Service	01/04/21	31/03/23	£21,334.00	£21,334.00	P3
DNS71397	Refuge Service	People and Communities	Refuge Service	01/04/21	31/03/23	£60,206.00	£60,206.00	Peterborough Women's Aid
DNS71398	Fair View Court	People and Communities	Fair View Court	01/04/21	31/03/23	£119,068.00	£119,068.00	Axiom Housing Association
DNS71400	New Haven	People and Communities	New Haven	01/04/21	31/03/23	£120,512.00	£120,512.00	Axiom Housing Association
DNS71402	Peterborough Foyer	People and Communities	Peterborough Foyer	01/04/21	31/03/23	£146,658.00	£146,658.00	Axiom Housing Association
DNS71403	Drop-In Fair View Court	People and Communities	Drop-In Fair View Court	01/04/21	31/03/23	£47,918.00	£47,918.00	Axiom Housing Association
DNS71404	Drop-In New Haven	People and Communities	Drop-In New Haven	01/04/21	31/03/23	£47,918.00	£47,918.00	Axiom Housing Association
DNS71407	Drop-In Peterborough Foyer	People and Communities	Drop-In Peterborough Foyer	01/04/21	31/03/23	£47,918.00	£47,918.00	Axiom Housing Association
DNS71415	Provision of Peterborough Carers Services - Support Services for Young Carers and Sibling and Adult carers	People and Communities	Provision of Peterborough Carers Services - Support Services for Young Carers and Sibling and Adult carers	01/04/20	31/03/23	£1,120,000.00	£280,000.00	Caring Together
DNS71418	Provision of level 6 Project Manager Apprenticeship	Resources	Provision of level 6 Project Manager Apprenticeship	07/02/19	08/02/23	£19,993.00	£5,000.00	Projon Group Ltd t/a London Metropolitan College Limited
DNS71427	Annual National Highways & Transport (NHT) Survey	Growth and Regeneration	Annual National Highways & Transport (NHT) Survey	12/04/17	31/03/23	£13,915.00	£13,915.00	Measure to Improve
DNS71428	The Design, supply, installation and maintenance of a public space CCTV surveillance system	Resources	the Design, supply, installation and maintenance of a public space CCTV surveillance system	01/09/17	31/08/22	£557,646.00	£110,000.00	Quadrant Security Group Limited
DNS71436	Erection of 2.4m weldmesh fence and associated gates around Ken Stimpson Community School /Werrington sports fields	People and Communities	Erection of 2.4m weldmesh fence and associated gates around Ken Stimpson Community School /Werrington sports fields	01/10/20	31/03/22	£73,236.28	£73,236.28	GARFIELD BUILDERS LIMITED
DNS71437	CACI - Acorn - PCC Contribution to CCC	Customer and Digital Services	CACI - Acorn - PCC Contribution to CCC	01/06/20	02/06/22	£10,569.00	£10,569.00	Cambridgeshire County Council (502507)
DNS71439	Analyse LOCAL Subscription	Customer and Digital Services	Analyse LOCAL Subscription	28/07/20	28/07/23	£6,000.00	£6,000.00	Inform CPl Ltd (507823)
DNS71451	BGS (British Geological Survey) Digital Data licence and licence administration charge	Customer and Digital Services	BGS (British Geological Survey) Digital Data licence and licence administration charge	30/08/17	29/08/22	£1,115.08	£223.01	British Geological Survey N E R Cnd (504863)
DNS71453	Box licence renewal - Enterprise Account Licenses (201)	Customer and Digital Services	Box licence renewal - Enterprise Account Licenses (201)	31/01/21	30/01/22	£8,400.00	£8,400.00	Box.com (UK) Ltd (502532)
DNS71454	Axiell ALM Ltd - Calm Software - annual support for Vivacity Calm	Customer and Digital Services	Axiell ALM Ltd - Calm Software - annual support for Vivacity Calm	01/04/21	31/03/23	£2,092.56	£2,092.56	Axiell ALM Ltd (500857)
DNS71456	Capita ONE Education	Customer and Digital Services	Capita ONE Education	01/04/21	31/03/22	£87,802.98	£87,802.98	Capita (500154)
DNS71460	Capita eStart-AM	Customer and Digital Services	Capita eStart-AM	01/04/21	31/03/22	£17,019.19	£17,019.19	Capita (500154)
DNS71461	ChronoLater Licence for Peterborough Safeguarding Children Board	Customer and Digital Services	ChronoLater Licence for Peterborough Safeguarding Children Board	20/06/19	21/06/24	£3,520.00	£1,173.33	Berrick Computing Ltd (501382)
DNS71464	Confirm OnDemand annual licences	Customer and Digital Services	Confirm OnDemand annual licences	01/08/21	31/07/22	£49,986.00	£49,986.00	Brightly Software Ltd
DNS71465	Core Infrastructure Server Suite Data Centre and Standard Core Licences	Customer and Digital Services	30/09/2021 - This is an extension of the existing contract that is in place for the licencing, use and support of the Confirm Software application. The application is used to support the management of Highways services delivered by Peterborough Highways Core Infrastructure Server Suite Data Centre and Standard Core Licences	01/10/20	31/10/22	£38,889.88	£38,889.88	Phoenix Software Ltd (500251)
DNS71466	6 additional Crystal Licences for Capita Phase 1 project	Customer and Digital Services	6 additional Crystal Licences for Capita Phase 1 project	01/04/21	31/12/31	£2,051.22	£205.12	Serco (500942)
DNS71468	Civica CX Support and Maintenance	Customer and Digital Services	Civica CX Support and Maintenance	01/04/21	31/03/22	£60,251.00	£60,251.00	Civica UK Ltd (501925)
DNS71469	DATA Interchange Licence	Customer and Digital Services	DATA Interchange Licence	01/09/20	30/04/23	£2,400.00	£2,400.00	Data Interchange PLC (502616)
DNS71470	EastNet Core Service Charges (to CCC)	Customer and Digital Services	EastNet Core Service Charges (to CCC)	01/04/20	31/03/23	£11,637.94	£11,637.94	Cambridgeshire County Council (502507)
DNS71471	Jigsaw Participation	Customer and Digital Services	Jigsaw Participation	01/04/21	31/03/22	£9,995.00	£9,995.00	Housing Partners Ltd (510121)
DNS71472	Environment Capital hosting, calendar, domain maintenance and SSL	Customer and Digital Services	Environment Capital hosting, calendar, domain maintenance and SSL	26/02/21	25/02/23	£409.96	£409.96	Taylorfitch Ltd (503302)
DNS71473	etgress Annual Fee	Customer and Digital Services	etgress Annual Fee	01/04/21	31/03/22	£16,444.23	£16,444.23	Civica UK Ltd (501925)
DNS71474	Northgate Lifetime support - Public Protection Ferret Renovator Support	Customer and Digital Services	Northgate Lifetime support - Public Protection Ferret Renovator Support	01/11/20	30/09/22	£10,247.83	£10,247.83	Northgate Public Services (UK) Ltd (506975)
DNS71475	Ferret Renovator PC Renewal	Customer and Digital Services	Ferret Renovator PC Renewal	01/07/20	30/06/22	£190.00	£190.00	Ferret Information Systems Ltd (501095)
DNS71479	FixMyStreet reporting tool - 2 year contract	Customer and Digital Services	FixMyStreet reporting tool - 2 year contract	01/07/19	30/06/23	£165,500.00	£55,166.67	mySociety
DNS71480	Licences for Form Assembly Enterprise Cloud - 1 main and 39 additional annual non-profit users	Customer and Digital Services	Licences for Form Assembly Enterprise Cloud - 1 main and 39 additional annual non-profit users	12/02/20	10/02/22	£7,918.00	£7,918.00	FormAssembly (Veer West LLC)
DNS71483	GovDelivery Communications Cloud	Customer and Digital Services	GovDelivery Communications Cloud	27/07/20	24/05/23	£16,299.60	£16,299.60	Granicus (510588)
DNS71484	Gsuite Basic and Business Licence Renewal - Extension	Customer and Digital Services	GSuite Basic and Business Licence Renewal - Extension	31/10/19	30/04/22	£11,076.80	£11,076.80	Cloud Technology Solutions (507436)
DNS71486	Annual hosting of Healthy Peterborough and interactive calendar	Customer and Digital Services	Annual hosting of Healthy Peterborough and interactive calendar	24/10/20	23/10/22	£195.00	£195.00	Taylorfitch Ltd (503302)
DNS71488	IDEA 12 - 2 x Concurrent User License	Customer and Digital Services	IDEA 10 - Single User Dongle Licence	01/04/20	31/03/22	£750.00	£750.00	Audware Systems Ltd (500104)
DNS71490	Taxi Licensing Digital Customer Journey Annual Maintenance	Customer and Digital Services	Taxi Licensing Digital Customer Journey Annual Maintenance	01/03/20	31/03/23	£2,235.97	£2,235.97	ldox Software Ltd (501923)
DNS71493	ldox HMO Licensing	Customer and Digital Services	ldox HMO Licensing	01/10/18	31/03/22	£12,000.00	£4,000.00	ldox Software Ltd (501923)
DNS71494	Iken Annual Licence Fee	Customer and Digital Services	Iken Annual Licence Fee- Iken General File viewer support and Case management & Time Recording	01/05/20	30/09/22	£13,699.56	£13,699.56	Iken Business Ltd (502050)
DNS71495	Intec Benefits - Annual licence and support - 5 user licence	Customer and Digital Services	Intec Benefits - Annual licence and support - 5 user licence	01/04/20	31/03/22	£6,294.75	£6,294.75	Intec For Business Ltd (500496)
DNS71496	EHR & ATLAS Hosting & Support 2 year G-Cloud 10 contract with +1 +1 options	Customer and Digital Services	EHR & ATLAS Hosting & Support 2 year G-Cloud 10 contract with +1 +1 options	01/04/21	31/03/22	£23,099.00	£23,099.00	Housing Partners Ltd (510121)
DNS71498	Mayrise Systems Annual Software Maintenance Fees	Customer and Digital Services	Mayrise Systems Annual Software Maintenance Fees	01/04/20	31/03/22	£22,016.30	£22,016.30	Yotta Ltd (508108)
DNS71500	MICROSOFT ESA for Dynamics - Agreement 49376232	Customer and Digital Services	MICROSOFT ESA for Dynamics - Agreement 49376232	31/12/19	30/12/22	£113,460.00	£113,460.00	Softcat Plc (511302)
DNS71502	MICROSOFT ESA - Agreement 49376232 (year 2)	Customer and Digital Services	MICROSOFT ESA - Agreement 49376232 (year 2)	31/12/19	30/12/22	£651,010.58	£651,010.58	Softcat Plc (511302)
DNS71505	MICROSOFT SCE - Agreement 49710626	Customer and Digital Services	MICROSOFT SCE - Agreement 49710626	31/12/19	30/12/22	£30,127.68	£30,127.68	Softcat Plc (511302)
DNS71506	Vivacity M365 E3 licences from Microsoft/Phoenix - PCC payment for Year 2	Customer and Digital Services	Vivacity M365 E3 licences from Microsoft/Phoenix - PCC payment for Year 2	31/05/19	30/05/22	£31,728.00	£10,576.00	Vivacity Culture & Leisure (501348)
DNS71507	Fusemetrix - MimsMX Claims Management System	Customer and Digital Services	Fusemetrix - MimsMX Claims Management System	27/06/20	26/06/22	£6,750.00	£6,750.00	Fusemetrix Group Ltd (511740)
DNS71508	Mosaic Support, NHS Mini-Spine Interface Support, Address Support	Customer and Digital Services	Mosaic Support	22/07/20	21/07/23	£194,144.73	£96,111.25	Servelec Social Care Ltd (509750)
DNS71509	Novus Support and Maintenance	Customer and Digital Services	Novus Support and Maintenance	05/04/20	04/04/22	£7,604.68	£7,604.68	Trapeze Group (UK) Ltd (500934)
DNS71511	Maintenance and Support on Open+ Library system contract M5539	Customer and Digital Services	Maintenance and Support on Open+ Library system contract M5539	30/06/20	29/06/22	£13,500.00	£13,500.00	Vivacity Culture & Leisure (501348)
DNS71512	Outcome Star Online System - 86 Licences	Customer and Digital Services	Outcome Star Online System - 86 Licences	11/04/20	10/04/23	£3,300.00	£3,300.00	Triangle Consulting Social Enterprise Ltd (502265)
DNS71513	Annual maintenance - ParkMap 5 year licence	Customer and Digital Services	Annual maintenance - ParkMap 5 year licence	01/04/21	31/03/23	£2,202.00	£2,202.00	Buchanan Computing (500229)
DNS71516	SignPlot 5 user licence including CAD drivers module	Customer and Digital Services	SignPlot 5 user licence including CAD drivers module	01/04/20	31/03/23	£870.00	£870.00	Buchanan Computing (500229)
DNS71517	Pentana - Annual Maintenance and Support - 9 full licences	Customer and Digital Services	Pentana - Annual Maintenance and Support - 9 full licences	01/02/21	31/01/23	£2,067.08	£2,067.08	Ideagan Gael Ltd (508653)
DNS71520	Frontline Incident Reporting System Annual Subscription	Customer and Digital Services	Frontline Incident Reporting System Annual Subscription	19/06/20	31/05/22	£3,495.00	£3,495.00	Frontline Data Limited (511786)
DNS71521	orQestra for Servelec Mosaic Social Care System	Customer and Digital Services	orQestra for Servelec Mosaic Social Care System	10/02/20	09/02/24	£17,200.00	£3,851.68	Quicksilva Limited (511095)
DNS71522	Rotamaster Licence Support and Maintenance	Customer and Digital Services	Rotamaster Licence Support and Maintenance	14/04/20	13/04/23	£10,739.00	£10,739.00	Rotamaster Ltd (507074) (T/A - IQUS Ltd)
DNS71530	Servelec - Maintenance for All Modules, Maintenance, MITS and Hosting for SEN, Hosting for Admissions	Customer and Digital Services	Servelec - Maintenance for All Modules, Maintenance, MITS and Hosting for SEN, Hosting for Admissions	01/04/21	31/03/23	£41,182.00	£41,182.00	Servelec Education Ltd (508593)
DNS71532	Servelec - Software and Maintenance for Admissions Document Upload	Customer and Digital Services	Servelec - Software and Maintenance for Admissions Document Upload	01/08/20	31/07/22	£1,517.00	£1,517.00	Servelec Education Ltd (508593)
DNS71534	Spydus Library Management System - Annual Licence Fees	Customer and Digital Services	Spydus Library Management System - Annual Licence Fees	01/08/20	31/07/22	£22,128.00	£22,128.00	Civica UK Ltd (501925)
DNS71536	6 Stages - Support of TAS Recruitment System,	Customer and Digital Services	6 Stages - Support of TAS Recruitment System,	01/01/21	30/06/22	£33,961.50	£33,961.50	6 Stages Ltd (508667)
DNS71537	TDSI Software Support Contract	Customer and Digital Services	TDSI Software Support Contract	14/06/20	17/06/22	£4,098.00	£4,098.00	Time and Data Systems International (510684)
DNS71538	Maintained Website Hosting & Support Teach Peterborough	Customer and Digital Services	Maintained Website Hosting & Support Teach Peterborough	08/01/20	28/02/23	£450.00	£450.00	Speed Agency (502383)
DNS71540	TechnologyForge - TF Facility Support & Maintenance	Customer and Digital Services	TechnologyForge - TF Facility Support & Maintenance	01/09/21	31/08/22	£51,157.00	£51,157.00	The Technology Forge Ltd (501924)
DNS71541	Travelchoice Web Hosting + 1hr Month Support	Customer and Digital Services	Travelchoice Web Hosting + 1hr Month Support	01/07/19	30/06/24	£900.00	£900.00	Speed Agency (502383)
DNS71546	Trend Micro Hosted Email Security 1000 User Licence	Customer and Digital Services	Trend Micro Hosted Email Security 1000 User Licence	08/04/21	07/04/22	£8,032.00	£8,032.00	Phoenix Software Ltd (500251)
DNS71556	Virtual School - ePEP	People and Communities	Virtual Schools	01/04/21	31/03/23	£23,700.00	£11,850.00	eGov Solutions Ltd



DN572527	Short Breaks Service	People and Communities	Short Breaks Service	01/04/19	31/03/23	£74,694.00	£74,694.00	PETERBOROUGH CULTURE AND LEISURE TRUST
DN572532	Short Breaks Service	People and Communities	Short Breaks Service	01/04/19	31/03/23	£74,673.00	£74,673.00	Circles Network
DN572539	Short Breaks Service	People and Communities	Short Breaks Service	01/04/19	31/03/23	£74,673.00	£74,673.00	Circles Network
DN572542	VCS Health Grant Long Term Health and Wellbeing of Children and Young People	People and Communities	VCS Health Grant Long Term Health and Wellbeing of Children and Young People	01/04/20	31/03/22	£29,592.00	£29,592.00	Centre 33
DN572564	Paediatric OT (CPT)	People and Communities	Paediatric OT (CPT)	31/03/21	31/03/23	£300,000.00	£150,000.00	Cambridgeshire and Peterborough NHS Foundation Trust
DN572777	Parenting Programmes	People and Communities	Parenting Programmes	01/04/21	31/03/23	£180,000.00	£180,000.00	Various
DN572779	Joint Funded Placements	People and Communities	Joint Funded Placements	01/04/21	31/03/23	£451,000.00	£451,000.00	N/A
DN573157	Validation and Case Evaluation of Planning Applications	Place and Economy	Validate electronic applications submitted using the Planning Portal, Process all payments through the TerraQuest / Planning Portal FTS	04/10/21	04/04/22	£25,000.00	£25,000.00	TerraQuest
DN573195	Capita Pay360 E Payment Cloud Software	Customer and Digital Services	System for processing online payments, card payments and cheques & chip and pin payments.	28/09/21	27/09/26	£145,840.00	£12,000.00	Capita Business Services Ltd
DN574174	Voluntary & Community Sector Support and Development	People and Communities	Voluntary & Community Sector Support and Development	01/12/21	30/11/26	£200,000.00	£40,000.00	Peterborough Council for Voluntary Service (PCVS)
DN581927	Remote Connectivity (LAN/WAN)	Customer and Digital Services	Cisco Hardware for a Server Refresh	18/10/21	17/10/24	£285,762.06	£95,254.02	Specialist Computer Centres plc
DN584784	Garden Waste Treatment Services	Growth and Regeneration	Garden Waste Treatment Services	01/03/20	28/02/25	£2,400,000.00	£300,000.00	A.W.O. RECYCLING LIMITED
DN586719	Children's Social Care Management Development Programme Knowledge & Skills Workshop Training Providers	Resources	Peterborough City and Cambridgeshire County Council are delivering a Children's Social Care Management Development Programme. The programme will be undertaken in full across Assessment, Family Safeguarding, Corporate Parenting and Fostering and Adoption with some variation according to service-specific need. Elements of the programme will also be available to TISSYOS and Early Help managers as appropriate. Part of the programme will include Knowledge and skills workshops. These workshops (delivered separately to group/district and team managers) will be based on the skills gaps identified by senior managers and the completed knowledge, skills and experience self-assessments. This contract is for training providers to develop and deliver workshops on the five areas identified, thus helping to bridge the knowledge gaps of the management team.	20/10/21	20/04/22	£9,900.00	£9,900.00	Talking Point Ltd
DN586737	V2 PRF 1256 Purchase of Three Compact Road sweepers (Articulated Chassis) under ESPO Framework 215_20	Growth and Regeneration	One off purchase of 3 articulated sweepers for PL as PCC assets	07/03/22	06/03/23	£177,010.56	£177,010.56	Scarab Sweepers Limited
DN586997	Multidisciplinary Master planning Services - Town Fund Project	Place and Economy	As part of its Towns Deal Programme, Peterborough City Council (PCC) has commissioned a suitably qualified and experienced consultant team with Masterplanning, Regeneration, and Engagement expertise across a range of uses to produce a masterplan development framework for Peterborough's Embankment.	02/08/21	02/02/22	£181,706.88	£181,706.88	Stantec UK Ltd
DN591097	PRF 1282 - Peterborough City Market Temporary Stalls	People and Communities	For the provision of 12 pop-up market stalls including all tools and accessories. Contract awarded to Surf & Turf Instant Shelters Ltd following a below-threshold RFQ procedure. Stalls to be printed in PCC Market livery and delivered to SMH.	20/01/22	15/03/22	£7,580.94	£7,580.94	Surf & Turf Instant Shelters Ltd
DN616946	British Red Cross Community Support at Home	People and Communities	Supports discharge from Peterborough City Hospital for people assessed as medically fit to be transported home & provided with support once home for six weeks or more.	01/10/21	01/11/22	£49,419.48	£49,419.48	British Red Cross
DN617060	Interim Head of Property	Resources	Interim Head of Property	01/04/22	30/06/22	£58,500.00	£58,500.00	CIPFA Business
DN617063	Interim Finance Manager	Resources	Interim Finance Manager	11/04/22	11/07/22	£58,500.00	£58,500.00	CIPFA Business
DN617068	Director of Resources and S151 Officer	Resources	An Interim Director of Resources and S151 Officer was required at very short notice when the previous Director resigned from the post.  An experienced director was required with immediate effect to fill not just the statutory S151 function of the Council but also the responsibilities of a Director of the Resources. The interim post needed to be filled with a person who had a proven track record and experience, and who was also immediately available.  CIPFA had been contracted to work with the Council to provide consultancy resource to assist with the Improvement Plan. The CIPFA consultant who was already working with the Council was immediately available to fulfil this role. They already had a good knowledge of the Council and its financial position and were already working on the Improvement Plan with the Council and DLUCH  CIPFA were able to provide the resource at the agreed Consultancy rate of £975 per day which is in accordance with the consultancy contract in place following the Council's Improvement Plan.  The Council is in severe financial crisis and is working with DLUCH and CIPFA and an external improvement panel to improve its financial resilience, and this role is crucial to that aim.	01/12/21	30/05/22	£58,500.00	£58,500.00	CIPFA Business
DN617130	Service Agreement for Provision of Services between The Wildlife Trust BCN and Peterborough City Council Natural and Historic Environment Team	Place and Economy	Contract for delivering local services to protect, promote and enhance biodiversity in the Peterborough Unitary area	01/04/22	31/03/27	£42,150.00	£8,430.00	The Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire
DN621545	efax rental and fax charges	Customer and Digital Services	efax rental and fax charges	01/06/21	30/05/22	£18,000.00	£18,000.00	Claranet Limited
DN621595	Adbib	Customer and Digital Services	Adbib	01/10/21	30/09/22	£774.00	£774.00	NEC Software Solutions UK Limited
DN621602	Provision of BACS Service - PCC Contribution to CCC	Customer and Digital Services	Provision of BACS Service - PCC Contribution to CCC	01/10/21	30/09/22	£14,465.00	£14,465.00	Cambridgeshire County Council
DN622673	Mobile Communication Network Standard tariffs (Via Vodafone)	Customer and Digital Services	Mobile Communication Network Standard tariffs (Via Vodafone)	01/07/21	21/07/23	£280,000.00	£280,000.00	Cambridgeshire County Council (502507)
DN622675	Mobile Communication Network (Costs above Standard Tariffs)	Customer and Digital Services	Mobile Communication Network (Costs above Standard Tariffs)	01/07/21	21/07/23	£4,000.00	£4,000.00	Vodafone PLC
DN622815	Salesforce (Childrens Services)	Customer and Digital Services	Salesforce (Childrens Services)	27/10/21	26/10/22	£1,632.84	£1,632.84	salesforce.com
DN622821	McLearning LCS/EHM and Mosaic for PCC and CCC - Recharge 30% from CCC	Customer and Digital Services	McLearning LCS/EHM and Mosaic for PCC and CCC - Recharge 30% from CCC	02/11/21	01/11/22	£9,502.50	£9,502.50	Cambridgeshire County Council
DN622829	Cisco Meraki Licence for SMH Wi-Fi	Customer and Digital Services	Cisco Meraki Licence for SMH Wi-Fi	12/11/21	11/11/22	£14,274.70	£14,274.70	CDW Limited
DN622835	TextHelp Read and Write Software License (Claire Gregory)	Customer and Digital Services	TextHelp Read and Write Software License (Claire Gregory)	14/11/21	13/11/22	£147.05	£147.05	Phoenix Software Ltd
DN622839	Palo Alto Firewall - PA-3250 x2, Palo Alto Threat Prevention Subscription Licence x2, Palo Alto Premier Partner Support 24x7x4	Customer and Digital Services	Palo Alto Firewall - PA-3250 x2, Palo Alto Threat Prevention Subscription Licence x2, Palo Alto Premier Partner Support 24x7x4	01/12/21	30/11/22	£62,849.24	£62,849.24	CAE Technology Services
DN622846	TeamsRoomsStand ShrdSvr ALNG SubsVL MVL PerDvc	Customer and Digital Services	TeamsRoomsStand ShrdSvr ALNG SubsVL MVL PerDvc	29/03/22	30/12/22	£98.39	£98.39	Softcat plc
DN622952	Socitm - PCC Contribution (40%) to CCC	Customer and Digital Services	Socitm - PCC Contribution (40%) to CCC	01/03/22	31/12/22	£2,877.60	£2,877.60	Cambridgeshire County Council
DN622959	Passwork, Self-Hosted Edition, Start 20 users	Customer and Digital Services	Passwork, Self-Hosted Edition, Start 20 users	27/01/22	26/01/23	£926.16	£926.16	Passwork Ltd
DN626201	MAST Online Membership	Customer and Digital Services	MAST Online Membership	01/04/22	31/03/23	£1,145.00	£1,145.00	Road Safety Analysis Ltd (519428)
DN626204	MapInfo Pro MATS contract 10016211	Customer and Digital Services	MapInfo Pro MATS contract 10016211	01/04/22	31/03/23	£673.90	£673.90	Precisely Europe Software & Data Ltd (509281)
DN626230	Portal Gateway Licence and Professional Services	Customer and Digital Services	Portal Gateway Licence and Professional Services	01/04/22	31/03/23	£7,848.94	£7,848.94	Servelec Education Ltd
DN626235	Palo Alto Subscription 1 x VM-1000-HV	Customer and Digital Services	Palo Alto Subscription 1 x VM-1000-HV	20/04/22	19/04/23	£1,557.88	£1,557.88	CDW Limited
DN626238	Purchase of credits for Palo Alto Subscription 1 x VM-1000-HV	Customer and Digital Services	Purchase of credits for Palo Alto Subscription 1 x VM-1000-HV.	01/05/22	30/04/23	£5,650.89	£5,650.89	boxee Limited
DN626250	Cloud Hosted Waste Booking and Permit System	Customer and Digital Services	Cloud Hosted Waste Booking and Permit System	14/06/21	13/06/23	£22,500.00	£22,500.00	Pentagull Ltd
DN626256	VMWARE VSPHERE 7 STANDARD FOR 1 PROCESSOR - Contract 495122306	Customer and Digital Services	VMWARE VSPHERE 7 STANDARD FOR 1 PROCESSOR - Contract 495122306	25/08/22	24/08/23	£1,103.44	£1,103.44	CDW Limited
DN626260	Domain name for peterborough.gov.uk (Ref 43452)	Customer and Digital Services	Domain name for peterborough.gov.uk (Ref 43452)	26/10/21	25/10/23	£65.00	£65.00	MLL Telecom
DN626262	Domain name renewals (Ref 43978)	Customer and Digital Services	Domain name renewals (Ref 43978)	20/03/22	20/03/24	£1,974.00	£1,974.00	MLL Telecom
DN626265	UTC & RMS Software	Customer and Digital Services	UTC & RMS Software	01/04/21	31/03/24	£35,475.00	£35,475.00	Siemens Mobility Limited
DN626282	Remote Connectivity (LAN/WAN) 3 year licence	Customer and Digital Services	Remote Connectivity (LAN/WAN) 3 year licence	18/10/21	17/10/24	£1,659.06	£1,659.06	Specialist Computer Centres
DN626289	Multi Functional Devices Contract	Customer and Digital Services	Multi Functional Devices Contract	01/11/19	31/10/24	£360,000.00	£360,000.00	Specialist Computer Centres
DN626292	Laptop Supply	Customer and Digital Services	Laptop Supply	23/03/22	22/03/25	£1,755,000.00	£1,755,000.00	Dell Corporation LTD
DN626293	Ferret Grant Forms and Online Services	Customer and Digital Services	Ferret Grant Forms and Online Services	01/06/22	31/05/23	£1,021.76	£1,021.76	Ferret Information Systems Ltd
DN626299	Hosting and support of the Peterborough information Network website and directory and the Cambridgeshire Local Offer	Customer and Digital Services	Hosting and support of the Peterborough information Network website and directory and the Cambridgeshire Local Offer	01/04/22	31/03/25	£175,261.00	£175,261.00	Ibox Software Ltd
DN626305	Confirm OnDemand annual licences	Customer and Digital Services	Confirm OnDemand annual licences	01/08/22	31/07/27	£268,328.05	£268,328.05	Brightly Software Ltd
DN627229	Revenue & Benefits Software	Customer and Digital Services	Capita One Cloud SAAS system for processing Council Tax, Business Rates, Housing Benefits etc	01/10/22	31/03/28	£1,149,393.00	£170,295.00	Capita Business Services Limited

# THE PROCUREMENT BILL

Essential guide



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## Foreword

Seen as a bonfire of red-tape and regulation, the transformation of the public procurement legal framework commenced even before the UK left the European Union with the publication of the consultation paper, “Transforming Public Procurement” in December 2020. Constrained by the UK’s membership of the World Trade Organisation’s Agreement on Government Procurement, the reform of public procurement in the UK was never going to start from a blank sheet of paper.

Those who may have been hoping for a more radical reform agenda will inevitably be disappointed. Nevertheless, there are significant changes within the clauses of the Bill. When those changes are considered beside the significant stylistic and linguistic differences of the proposed legislation (due to the difference between our domestic statutory language and the previous “copy-out” approach of the European Directive(s)), it will take a committed reader, possessing an eagle eye and a pre-existing knowledge of the public procurement landscape, some significant time to plough their way through the Procurement Bill.

Trowers & Hamblins LLP is committed to helping our clients, contacts and colleagues across the public sector implement the new public procurement regime to best effect. We have been working alongside the Cabinet Office, professional bodies, clients and colleagues across the public and private sectors from the outset of the proposals, helping to deliver meaningful change and progress the public procurement conversation across the industry.

As part of this work, we have produced our Essential Guide to the Bill as it makes its way through Parliament. This Essential Guide aims to provide an overview of the key elements of the proposed legal changes. Whilst the Essential Guide covers the Bill as it currently stands, we still await further secondary legislation and guidance to flesh the regime out further. However, we hope that this will help interested readers to get to grips with the new regime.

We will issue updates to the Essential Guide as the Bill proceeds through Parliament and we welcome feedback on its current format and content. The key aim is to keep the conversation going; to raise the profile of public procurement and its importance across the public sector and for those that tender to the public sector and to ensure that those working with public procurement remain abreast of the developments during this time of change.



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# Introduction

On 11 May 2022, the UK Government introduced the much-anticipated [Procurement Bill](#) (the Bill) into the House of Lords, where it received its first reading. The Bill was accompanied by supporting documents including Explanatory Notes to the Bill, an Impact Assessment, an Equality Impact Assessment and a Delegated Powers Memorandum.

The Bill received its second reading on 25 May 2022 and is now, at the date of publication, at the Committee Stage of its passage through Parliament.

The Bill follows an extensive consultation process on procurement reform following the UK's withdrawal from the European Union. The Bill represents the Government's post-Brexit approach to the proposed procurement regime as set out in its earlier [Green Paper on Transforming Public Procurement](#) published in December 2020, and the subsequent [Government Response to the consultation](#), published in December 2021.

Whilst not all of the proposals trailed in the Green Paper have made their way into the Bill, this marks a major change to the existing procurement landscape. There are numerous stylistic and linguistic differences in the Bill compared to what we are used to under the current rules.

In this Essential Guide to the Bill, we have summarised the key concepts that have been brought forward by the Government into the proposed legislation.

This Essential Guide only refers to the Bill and the Government's proposed amendments. The Marshalled List of amendments to the Bill, including proposed amendments from the Opposition, can be found [here](#). We have focused on comparisons between the Bill and the current Public Contracts Regulations 2015 (the PCR), and not the wider landscape of other procurement legislation.

## Commencement provisions

Clause 114 confirms that the Bill extends to England and Wales, Scotland and Northern Ireland, and clause 115 sets out the commencement provisions of the Bill. The General provisions contained in Part 13 will come into effect on the day the Bill becomes an Act (i.e. when it achieves Royal Assent).

The remaining parts of the Bill will not come into force until such times as a Minister of the Crown by regulations may appoint. This accords with the Government's stated intention of a six month "go live" period following the Bill becoming law.



## Part 1: Key definitions

Part 1 of the Bill sets out the key definitions relating to the new regime, as well as rules governing the valuation of public contracts and mixed procurements.

### Contracting authority

Clause 1 sets out the new definition of “contracting authority”, which the Government has sought to simplify. While the Cabinet Office has confirmed that the intention is for coverage under the Bill to remain as it currently is (i.e. there is no change to the scope of organisations and bodies currently caught by the PCR), there are some areas in this essential definition that require clarification.

Of particular note, the definition of contracting authority is now somewhat circular and refers to the concept of a “public authority” being an “authority with functions of a public nature”. It is not immediately clear from the Bill whether “public nature” is limited to statutory functions (e.g. those functions that a body is required to carry out pursuant to a piece of legislation), or whether this is cast more widely across the public sector (e.g. functions carried out in a charitable or other social purpose due to a market failure or similar). Additionally, the meaning of “authority” itself is key to understanding the definition of contracting authority, and further guidance on this point will be needed.

While we wait for further guidance, those organisations considered “contracting authorities” under the existing procurement regime should proceed on the basis that they will remain “contracting authorities” under the new procurement regime.

### Public contract

Clause 2 provides a definition for a “public contract” under the Bill, and includes any above threshold contract which is:

- for the supply, for pecuniary interest, of goods, services or works to a contracting authority; and
- is not an exempted contract.

Additionally a public contract within the meaning of the Bill also includes above-threshold (and not exempted) framework agreements and concession contracts. This is a structural change under the new Bill. Under the PCR, framework agreements and concession contracts are, in certain circumstances, treated as “public contracts”, but their actual status is “other”. The inclusion of frameworks and concessions as “public contracts” results in a few oddities explained below.

In a change from the current approach to publishing threshold amounts, the Bill sets out the current thresholds in Schedule 1. This is a departure from the usual publication of thresholds on a bi-annual basis through Procurement Policy Notes. We understand that the intention is for procurement thresholds to be aligned to the World Trade Organisation Agreement on Government Procurement (the WTO GPA), which will require amendment to primary legislation to give effect to future changes.

### Exempted contracts

Additionally, Schedule 2 sets out what is considered an “exempted contract” under the Bill, and is the replacement for the current list of exempted service contracts in regulation 10 of the PCR. Schedule 2 also includes the new replacement tests for the current Teckal and Hamburg Waste exemptions under regulation 12 of PCR, which cover awards between linked contracting authorities (referred to as “vertical arrangements” and “horizontal arrangements” respectively).

In respect of vertical arrangements, the Bill links the definition of a controlling authority to the Companies Act 2006 in an attempt to simplify the existing definition that is drawn from the European Directive and numerous judgments of the Court of Justice of the European Union (the CJEU). As originally drafted, the vertical arrangements set out in Schedule 2 (Exempted Contracts) only allowed for a single contracting authority to be the controlling authority for the purposes of the new test, removing the possibility for jointly controlled Teckal entities, and potentially causing issues for (for example) Local Authority Trading Companies.

The Marshalled List of amendments to the Bill has addressed this issue by way of a proposed Government Amendment, and seeks to clarify when the vertical arrangement exemption will be available for contracting authorities. The existing “joint Teckal” provisions are retained in the proposed Government amendment, which confirms that vertical arrangements will be available for contracts between a contracting authority and a person that is controlled by:

- the contracting authority;
- the contracting authority acting jointly with one or more other contracting authorities;
- another contracting authority, where that authority also controls the contracting authority entering into the contract with the controlled entity; and
- another contracting authority acting jointly with one or more other contracting authorities, where the authorities acting jointly also control the contracting authority entering into the contract with the controlled entity.

## Value of public contracts

Clause 3 sets out the rules to be taken into account when estimating the value of a public contract. The definition of “estimated value” is an example of where a “brevity is best” approach to drafting may create unintended confusion.

Under the current regime the contracting authority must estimate the value of a contract at the date the contracting authority would have sent the call for competition (above threshold) or commenced a procurement process for below threshold contracts (see regulation 6(7) of PCR). However, under this new test, there is no definitive date that a contracting authority can identify either before or after the need to make that valuation, meaning that a contracting authority could decide on one day that the contract is below threshold and proceed on that basis, but have its procurement timetable completely scuppered due to shifting market conditions (or other circumstances not within its control) if the contract value tips above the threshold by a couple of pounds: which date is to be deemed as “the time being”?

Clause 3 also links to Schedule 3 of the Bill which sets out more detailed rules on estimating values. Notably, the Bill is missing important concepts that have been developed through case-law regarding how to value an opportunity (including the concepts developed by the CJEU in *Roanne*, and adopted by the then Office of Government Commerce) regarding payment from third parties, where it was held that for the purposes of deciding whether a contract exceeds the works threshold, the total value from the point of view of the tenderer is the relevant figure, including any sums to be received from third parties. We have requested further guidance on this point from the Government.

Schedule 3 also brings into the Bill the rules on aggregation that exist under the current regime, in the context of anti-avoidance rules. That is, if a contracting authority artificially sub-divides a contract, then the value of each individual sub-divided contract is taken to be the total combined value of all of the underlying contracts.

Additionally, Schedule 3 sets out that where it is not possible to estimate the value

of a contract (for example, where the duration of a contract is unknown, such as for rolling contracts like audit services), contracting authorities must treat the contract as being above threshold. This is a simple device and the “above threshold” presumption has removed the need for the lengthier, more complex, rules on valuation under the current regime.

Clause 4 of the Bill replaces the existing rules under regulation 4 of the PCR regarding how to deal with mixed procurements. The intention seems to be to simplify the current regime, and to remove the consideration of the “main subject-matter” of the contract when considering which procurement regime a public contract falls into. Instead, the only test now seems to be one of value. The provisions are simplified so as to simply refer to whether the constituent elements of a mixed contract could “reasonably be supplied under a separate contract”. Further guidance would be helpful to set out how this provision would treat, for example, services that are incidental to works.

### **Utilities, defence and security contracts, concession contracts and light-touch contracts**

Clauses 5 and 6 set out further definitions in the Bill relating to “Utilities” and “Defence and Security” contracts (respectively), and clause 7 sets out further definitions relating to concession contracts. The definition of concession contract has been simplified to refer to a contract for the supply, for pecuniary interest, of works or services to a contracting authority where:

- at least part of the consideration for that supply is a right for the supplier to exploit the works or services; and
- under the contract the supplier is exposed to a real operating risk.

Further guidance or worked through examples of the meaning of “operating risk” will be important to fully understand what, if any, changes result due to the change in the language of the definition.

Clause 8 retains the concept of “light touch contracts”, although further regulations will be published in due course to specify the services that are caught by this regime. Light touch contracts are those that are covered by the current “light touch regime”, a specific set of rules for certain service contracts which have tended to be of less cross-border interest pre-Brexit, and included certain social, health and education services.

Clause 9 sets out additional rules for mixed procurements on the award of a “special regime contract” where certain elements of that contract could reasonably be supplied under a separate contract and which would not, by themselves, have been a special regime contract or a below-threshold contract. Examples here include concession contracts, a defence and security contract, light touch contracts and utilities contracts. In these circumstances, the position under clause 9 is that the contract in question should not be treated as a special regime contract, except where the contract is a defence and security contract and where the contracting authority had good reasons not to award separate contracts.

## Part 2: Principles and objectives

The Government has proposed several amendments to this Part, most notably to introduce the concept of “procurement” and “covered procurement” into the Bill. Under the new proposed definitions, a “procurement” will mean the award, entry into and management of a contract, whereas a “covered procurement” will refer to the award, entry into and management of a public contract.

Part 2 of the Bill originally provided that any “procurement” must be carried out by a contracting authority in accordance with the Procurement Act, with procurement defined to include any part of both the award and also the management of a public contract, and including, where relevant, the termination of a procurement prior to award.

The Government has put forward amendments to change this requirement so that contracting authorities carrying out a “covered procurement” must do so in accordance with the Procurement Act. The Government amendments seek to distinguish between “procurement” and “covered procurement” and also seek to limit the procurement objectives in clause 11 (see below) so that they only apply to “covered” procurements.

Clause 10 (as amended by the Lords in Grand Committee) sets out that a contracting authority may not enter into a public contract unless it is awarded in accordance with one of the following: clause 18 (competitive award); clause 40 (direct award in special cases); clause 42 (direct award after switching procedures); and clause 44 (award under frameworks).

Of note, clause 10 is silent in respect of Dynamic Markets (the replacement for Dynamic Purchasing Systems under the PCR). This can be explained by the processes under clause 34 (Competitive award by reference to dynamic markets) which is considered below, but broadly speaking, an award of a public contract in accordance with a Dynamic Market is covered by clause 18 and is therefore included in the general rule set out in clause 10.

The Bill covers contracting authorities procuring directly for themselves, jointly with other contracting authorities, or through another entity, including “centralised procurement authorities”.

Clause 11 sets out the objectives that a contracting authority must have regard to in a procurement, being:

- delivering value for money;
- maximising public benefit;
- sharing information for the purpose of allowing suppliers and others to understand the authority’s procurement policies and decision; and
- acting, and being seen to act, with integrity.

In addition a contracting authority must treat all suppliers the same unless a distinction between them justifies different treatment, in which case the authority must take all reasonable steps to ensure it does not give rise to any unfair advantage or disadvantage. This appears to equate to the current principle of equal treatment of bidders.

Clause 12 provides for the publication of the Government’s National Procurement Policy Statement (NPPS) and the review, amendment and/or replacement of the same. A contracting authority must have regard to the NPPS, save for certain exceptions including the award of a contract under a framework, and in relation to Welsh and Northern Irish procurement arrangements. Clause 13 contains similar

provisions for the publication of the Wales Procurement Policy Statement which subject to certain exceptions applies to devolved Welsh authorities and procurement arrangements.

Whilst the current NPPS remains relevant for the time being, it is unclear what status the existing NPPS will have once the Bill becomes legislation (i.e. whether the NPPS in its current form will be adopted as the NPPS under clause 12). Further guidance will be needed on this point in due course.



## Part 3: Award of public contracts

Part 3 of the Bill covers the award of public contracts and the procedures which contracting authorities must comply with.

Part 3 is made up of the following six chapters:

- Chapter 1: Preliminary Steps;
- Chapter 2: Competitive Award;
- Chapter 3: Direct Award;
- Chapter 4: Award under Frameworks;
- Chapter 5: After award, standstill periods and notices; and
- Chapter 6: General provisions about award and procedures.

The provisions of greatest interest to practitioners will no doubt include: the new “competitive flexible procedure” combining the many separate procedures set out under the PCR; the new concept of “open frameworks”; the revised timescales for procurement procedures; and the introduction of a debarment list requiring contracting authorities to exclude certain suppliers.

### Chapter 1: Preliminary steps

The Bill sets out the preliminary steps that contracting authorities may voluntarily take when conducting a procurement exercise.

Clause 14 (Planned procurement notices) introduces the concept of a “planned procurement notice” confirming the contracting authority’s intention to publish a tender notice. If a planned procurement notice is published at least 40 days but not more than 12 months before the tender notice is published, it will be deemed a “qualifying planned procurement notice.” Accordingly, reduced tendering periods may apply (see the table set out below in relation to Chapter 6 for further details of the reduced periods). The planned procurement notice seems to be a replacement for the current Prior Information Notice (PIN), but contracting authorities should note that under the Bill, such a notice cannot be used as a call for competition in the same way that a PIN can under the current rules. Given that the purpose of this planned procurement notice will be limited to simply notifying of an intention to procure, there is some debate as to the usefulness and practicality of the notice (particularly given that there is a separate notice to use in relation to pre-market engagement activity).

Clause 15 of the Bill provides that contracting authorities may engage with suppliers and others by way of “preliminary market engagement”. A contracting authority may voluntarily issue a “preliminary market engagement notice” pursuant to clause 16 confirming its intention to conduct a “preliminary market engagement” but is not obliged to do so. The Bill sets out the purposes for which preliminary market engagement may be undertaken, for example, development of specifications, designing the appropriate procurement procedure, award criteria and procurement documents and building capacity among suppliers in relation to the contract being awarded. Contracting authorities engaging in preliminary market engagement must take steps to ensure those participating are not put at an unfair advantage and competition is not distorted. If a supplier is put at an unfair advantage that cannot be avoided due to preliminary market engagement the supplier must be treated as an “excludable supplier” (see clause 54, Meaning of excluded and excludable supplier) in relation to the relevant contract award.

The Bill also includes a mandatory preliminary step at clause 18, imposing a duty on contracting authorities to consider, prior to issue of a tender notice, whether the subject matter of the contract could be supplied under more than one contract and whether such contracts could be awarded by way of lots. If the contract could be so supplied or awarded, the contracting authority must proceed on such a basis or provide reasons for not doing so. As this relates to a mandatory step in the procurement, we would recommend that contracting authorities record this decision with accompanying reasons.

## Chapter 2: Competitive award

### Terms of a procurement

Clause 18 of the Bill requires contracting authorities to award contracts to the “most advantageous tender”. The new “most advantageous tender” (rather than the “most economically advantageous tender” required under the PCR) is the tender which “best satisfies the award criteria”. This is a much anticipated amendment to the existing approach to evaluation, and aligns with the terminology adopted under the WTO GPA.

In assessing tenders, clause 18(3) provides that contracting authorities must disregard any tender that does not satisfy the conditions of participation and/or materially breaches a procedural requirement set out in the tender documents. There is also a discretionary right for contracting authorities to disregard a tender from a supplier that is not a UK or Treaty state supplier (defined in clause 81(1) of the Bill as a supplier that is entitled to benefit from the international agreements set out at Schedule 9 of the Bill) or if the supplier intends to sub-contract to such a supplier.

Clause 19 sets out the new rules concerning competitive tendering procedures. The Bill replaces the numerous competitive procedures under the PCR with two main competitive tendering procedures which can either be an “open procedure” (single-stage, open to all) or “such other competitive procedure as the contracting authority considers appropriate for the purposes of awarding the public contract” (the “competitive flexible procedure”).

Clause 19 sets out the following characteristics of a competitive tendering procedure:

- must be a proportionate means to award the contract considering nature, complexity and cost (clause 19(3));
- may limit numbers of participants (generally or per round) (clause 19(4)(a));
- may allow for award criteria to be refined (clause 19(4)(b));
- must restrict participation by bidders who did not participate in or were excluded from an earlier round (clause 19(4)(c));
- may provide for the exclusion of suppliers by reference to an intermediate assessment of tenders against the award criteria (i.e. may allow for the deselection of tenderers in stages by reference to the evaluation of initial or subsequent tenders) (clause 19(5)(b) and clause 19(6)); and
- may limit the number of lots that a supplier can submit a tender for (clause 19(7)).

Contracting authorities should note that there do not appear to be any rules around the minimum numbers of tenderers who are able to be shortlisted under a competitive tendering process which makes use of a shortlist (e.g. under the PCR, the minimum number of bidders for a Restricted Procedure is 5, or for a Competitive Dialogue or Competitive Procedure with Negotiation is 3, if numbers allow). With this in mind, contracting authorities should carefully design their procedures to ensure that they retain competitive tension in the procurement process, and ensure that a suitable number of tenderers are shortlisted to ensure genuine competition.



Clause 21 sets out the various conditions of participation in procurement exercises. Of note, contracting authorities may set conditions that a supplier must satisfy to be awarded the contract. The conditions must be a proportionate means of ensuring the supplier has the legal, financial and technical capacity to perform the contract. If the conditions of participation are not satisfied either by the supplier themselves or by a supplier associated with the supplier (as defined in the Bill), a contracting authority may exclude the supplier from progressing through the competitive procedure. The Bill sets out several restrictions on the requirements that can be stated as conditions of participation e.g. qualifications but not their equivalents.

The rules regarding award criteria are now set out in clause 22, which sets out that the award criteria which tenders may be assessed against must relate to the subject matter of the contract, be sufficiently clear, measurable, specific and proportionate. There is a departure from the previously explored position under the Green Paper to break the link between the subject-matter of the contract and the award criteria in certain, prescribed, circumstances, and this is not a feature which has been carried through into the Bill. While the proposed provision would not create a significant change in everyday procurement practice, there are certain procurements where a clear ability to take into account general policy or practice would have been useful.

Contracting authorities must describe how tenders are assessed against the award criteria and confirm if a criterion is mandatory (e.g. and that failure to satisfy it will result in disqualification) and indicate the importance of criteria (weightings, rankings etc.) The Bill sets out at clause 22(5) a non-exhaustive list of things included in the “subject matter” of a contract, namely:

- the goods, services or works to be supplied under the contract, including in respect of any aspect of their production, trading or other stage in their life-cycle;
- how or when those goods, services or works are to be supplied;
- the qualifications, experience, ability, management or organisation of staff where those factors are likely to make a material difference to the quality of goods, services or works being supplied;
- price, other costs or value for money in all the circumstances.

Additionally, clause 23 sets out that award criteria and their relative importance can be refined as part of the competitive procedure provided that:

- the tender notice/documents allow for refinement;
- suppliers are yet to submit tenders for assessment for contract award; and
- the refinement would not, if made earlier, have allowed for other suppliers to progress beyond an earlier point in the tender process.

Clause 24 sets out that technical specifications must not refer to a design, a particular licencing model or description of characteristics where they could (instead) appropriately refer to performance and functional requirements. Specifications should not be too prescriptive, thereby risking the contracting authority restricting access to the process (and therefore competition) where it is unnecessary to do so. Contracting authorities’ requirements should not refer to UK standards, trademarks, trade names, patent, design or type, place of origin or producer/supplier unless it is necessary and the exceptions set out in clause 24 of the Bill are satisfied (which shows wider international constraints placed upon UK procurement and the practical limitations of the post-Brexit ability to “Buy British”).

Clause 25 (Sub-contracting specifications) provides that where a contracting authority could procure the relevant goods, services or works by way of “direct award in special cases” in accordance with clause 40, the contracting authority may require that the supplier sub-contracts the supply to such particular supplier (see clause 25).



For the provisions in clause 25 to apply, one of the direct award justifications in clause 40 must apply. In respect of a supplier who is not an “excluded” supplier, this relates to the justifications in Schedule 5 (Direct award justifications). In respect of an “excluded” supplier, it is possible to make a direct award only where there is an overriding public interest in awarding the contract to that supplier. Clause 40(5) specifies that there is only such an overriding public interest in very limited circumstances, including in relation to the construction, maintenance or operation of critical national infrastructure, or for defence and intelligence contracts.

### **Exclusions and modifications**

Clause 26 of the Bill introduces various rules regarding “excluded suppliers” (those who must be disregarded) and “excludable suppliers” (those who may be disregarded at the discretion of the contracting authority). If a supplier is excluded/excludable by virtue of an associated supplier (supplier relied on by the bidding supplier in order to satisfy the conditions of participation) or a subcontractor only, the contracting authority must allow reasonable opportunity to replace the associated supplier or subcontractor (see below for further details).

Clause 31 provides that the terms of a procurement may be modified prior to the deadline for submitting tenders (for the open procedure) or the deadline for submitting a request to participate or, where there has been no invitation for such request, the deadline for submitting the first tender (for other competitive tender procedures). Modifications can be made after these deadlines provided they are not “substantial” (as defined in clause 31(3) of the Bill) or the procurement relates to the award of a light touch contract. Contracting authorities must consider revising applicable tender deadlines if a modification is made. This is a useful clarification of modification principles for pre-award changes.

### **Reserving contracts to certain suppliers**

Clause 32 (Reserving contracts to supported employment providers) permits contracting authorities to design a competitive flexible procedure in order that it provides for the exclusion of any supplier who is not a supported employment provider. Clause 32(4) explains that a supported employment provider is an organisation that operates for the purpose of providing employment or employment-related support to disabled or disadvantaged individuals and where at least 30% of that organisation’s workforce is made up of disabled or disadvantaged individuals.

Clause 33 (Reserving contracts to public service mutuals) permits contracting authorities to design a competitive flexible procedure in order that it provides for the exclusion of any supplier who is not a qualifying public service mutual (defined in clause 33(5) as a public service mutual who has not been awarded a comparable contract in the three years preceding the award of the contract).

Clause 33(6) defines a public service mutual as a body that operates for the purpose of delivering public services and mainly for the purpose of delivering one or more reservable light touch services (which may be defined in further regulations). Additionally, a public service mutual must be run on a not-for-profit basis (or provide for the distribution of profits only to its members), and must be under the management and control of its employees.

For the purposes of clause 33(5), a comparable contract is defined in clause 33(7) as a contract that was:

- a contract for the same kind of services;
- awarded by the same contracting authority; and
- awarded pursuant to a reserved procurement in accordance with clause 33.

### **Awarding contracts by reference to dynamic markets**

Clause 35 (Dynamic markets: establishment) of the Bill provides that arrangements can be established for the award of public contracts by reference to suppliers' membership to a "dynamic market". These provisions replace the current dynamic purchasing systems under the PCR). There is no requirement expressly set out in the Bill for the dynamic market to be operated electronically (as there is in the current legislation). The Bill also provides for the use of "utilities dynamic markets" subject to compliance with clause 35.

Contracting authorities may provide for the exclusion of a supplier during a competitive flexible procedure if the supplier is not part of a particular dynamic market or particular part of a dynamic market. In other words, it can use a dynamic market as its sole route to market. Before excluding a supplier for not being part of a dynamic market, a contracting authority should consider any application for membership submitted from those who have submitted a tender unless, due to exceptional circumstances resulting from the complexity of the procurement or a contracting authority being unable to consider the application before the deadline for submitting a request to participate (or, where there is no invitation for requests, the deadline for submitting the first tender).

Conditions for membership of a dynamic market (or part of it) can be set provided they are a proportionate means of ensuring that the supplier has legal and financial capacity and technical ability to perform the contract awarded, by reference to the market.

Applications for membership to a dynamic market must be accepted at all times during the term of the market and be considered within a reasonable period. If the conditions are satisfied and the supplier is not an excluded/excludable supplier, it should be admitted to the market as soon as reasonably practicable. There should be no limit set by a contracting authority to the number of suppliers that can be admitted to a dynamic market (or part of it). Conditions for membership should not be modified during the term of the market. Members can be removed from a dynamic market if the contracting authority who lets the dynamic market considers that the supplier is an excluded supplier, an excludable supplier or they do not satisfy the conditions for membership. Presumably, these rules regarding removal of members do not extend to the contracting authority accessing the dynamic market if it has been set up by a centralised procurement authority.

Clause 38 sets out that fees may be charged to suppliers that are awarded contracts by reference to membership of a dynamic market. The fee must be a fixed percentage of the estimated value of the awarded contract. Charging of fees must be set out in the documentation used to establish the dynamic market. For utilities dynamic markets, fees may be charged in connection with obtaining and maintaining membership to the market. There is currently no reference to the anticipated requirement for fees to be used solely for the public good, and this is another example of a proposal under the Green Paper that has not been fully taken forward in the Bill.

Before establishing a dynamic market, clause 39(2) provides that a contracting authority must publish a notice confirming that it intends to establish the dynamic market (along with any further information which may be specified in further regulations).

Clause 39 (Dynamic market notices) sets out a series of other notices (each a “dynamic market notice”) that contracting authorities will be required to publish in respect of any dynamic market that they establish, including:

- A notice setting out that the dynamic market has been established (clause 39(3));
- A notice setting out any modifications to the dynamic market (clause 39(4); and
- A notice confirming once the dynamic market has ceased to operate (clause 39(5)) (although this does not apply to private utilities).

The notices referred to in clauses 39(3) to (5) must be published as soon as reasonably practicable following the relevant event referred to in those sub-sections.

### Chapter 3: Direct award

Clause 40 sets out certain special cases where a direct award of a public contract may be permitted, i.e. where a contracting authority may award a public contract directly without having followed a competitive award process. Where a “direct award justification” applies, a contracting authority can award a contract directly to a supplier who is not excluded. “Direct award justifications” are set out in Schedule 5 of the Bill and include:

- Prototypes and development – where the public contract concerns the production of a prototype, or the supply of other novel goods or services, and for the purpose of testing the suitability of the goods or services, researching the viability of producing or supplying those goods or services, or for other research, experiment study or development.
- Single suppliers – where only one supplier is capable of performing the public contract for any of the following reasons:
  - the public contract relates to the creation or acquisition of a unique work of art or artistic performance;
  - due to the supplier having unique intellectual property rights or other exclusive rights, only that supplier can supply the goods, services or works and there are no other reasonable alternatives to the goods, services or works; or
  - due to an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works and there are no other reasonable alternatives to the goods, services or works.
- Additional or repeat goods – where:
  - the public contract relates to the provision of goods, services or works from the existing supplier as an extension, or partial replacement, to the existing goods, services or works, and where a change in supplier would result in differences or incompatibility with the existing goods, service or works which would also result in disproportionate technical difficulties in maintenance or operation; or
  - where the public contract relates to the provision for goods, services or works by an existing supplier that are similar to those already provided, and where those goods, services or works were provided under a contract that was awarded pursuant to a competitive tendering procedure in the previous five years, and where the original tender notice or supporting documents set out the contracting authority’s intention to carry out a subsequent procurement for similar goods, services or works in accordance with this direct award justification.
- Commodities – where the public contract concerns goods purchased on a commodity market.

- Advantageous terms on insolvency – where the public contract will ensure terms that are particularly advantageous to the contracting authority due to the fact that the supplier is undergoing insolvency proceedings.
- Urgency – where the goods, services or works are strictly necessary for reasons of extreme urgency and where the public contract cannot be awarded pursuant to a competitive tendering procedure (i.e. where the normal time limits cannot be complied with).
- Necessary to protect life – see clause 41 below.
- User choice contracts – where the public contract relates to the supply of user choice services - either services specified as being “light touch” pursuant to further regulations, which are supplied for the benefit of a particular individual, or where the contracting authority is required by statute to have regard to the views of an individual or their carer in respect of who supplies the services), and where the following conditions are met:
  - the individual or their carer has expressed a preference as to who should supply the services, or only one supplier is capable of providing the services as a result of the nature of the services; and
  - the contracting authority considers it is not in the best interest of the individual to award a contract pursuant to a competitive tendering procedure.
- Defence and security – where the public contract relates to specific defence and security contracts, including circumstances where a new contract would be a “qualifying defence contract” under section 14(2) of the Defence Reform Act 2014.

If a contracting authority considers that there is an overriding public interest in doing so, it may directly award a public contract to an excluded supplier. The Bill sets out at clause 40(5) what is to be considered in the overriding public interest. A selection process or other preliminary steps may be undertaken as deemed appropriate in the circumstances.

Additionally, clause 41 introduces the concept of direct awards to protect life. If a Minister of the Crown considers it necessary to protect human, animal or plant life or health or, to protect public order and safety, the Minister may (by way of regulations) provide that certain contracts may be awarded as if a “direct award justification” applies. As the Explanatory Notes to the Bill provide, this clause is deemed to cover procurement during an emergency event (such as a pandemic) where the circumstances leading to the event are foreseeable, thereby possibly ruling out the application of Schedule 5 (Direct award justifications). These transparency notices set out information yet to be confirmed in secondary legislation.

A direct award may also be made under the Bill to a non-excluded supplier if the contracting authority invited suppliers to submit tenders or requests to participate as part of a competitive tender procedure, did not receive any suitable responses and it therefore deems that a competitive tender procedure is not possible for award of the contract. The Bill provides guidance at clause 42(2) as to what would render a tender or request unsuitable, for example, it does not satisfy award criteria or the price is abnormally low (it is notable that this is: the only place in the Bill where abnormally low prices are mentioned).

Clause 43 (Transparency notices) sets out a mandatory requirement for contracting authorities to publish transparency notices where they intend to make direct awards pursuant to either clause 40 or clause 42, apart from where such a direct award is justified by virtue of paragraph 16 of Schedule 5 (direct award of user choice contracts).

## Chapter 4: Award under frameworks

A public contract may be awarded in accordance with a framework. A “framework” is a contract between a contracting authority and one or more suppliers, that provides for future award of public contracts to those suppliers. Clause 44(5) sets out in detail what information a framework must include, as follows:

- a description of goods, services or works to be provided under contracts awarded in accordance with the framework;
- the price payable, or the mechanism for determining the price payable, under such contracts;
- the estimated value of the framework;
- the selection process for awarding contracts in accordance with the framework;
- the term of the framework;
- which contracting authorities are entitled to award public contracts in accordance with the framework; and
- whether the framework is awarded pursuant to clause 47 (Open frameworks).

Of note, the new definition for “public contracts” includes framework agreements. This suggests that the ability to award public contracts under a framework also permits the award of a framework within a framework - a concept which is not permitted under the current rules. We expect further clarification and guidance on this point to be addressed at Committee Stage while the Bill progresses through the House of Lords.

A framework may allow for the future award of public contracts pursuant to its terms by way of a competitive selection process (clause 44(3)) or, in certain circumstances, without competition (clause 44(4)). A public contract may be awarded under a framework without further competition if:

- there is only one supplier on the framework; or
- the framework sets out the core terms of the public contract and an objective mechanism for supplier selection.

If provided for in the relevant framework, fees can be charged representing a fixed percentage of the estimated value of the contract awarded under the framework (clause 44(7)). As above (in relation to dynamic markets), the concepts trailed in the Green Paper for such fees to be proportionate and used solely in the public interest have not been taken forward into the Bill.

As a general rule, clause 45 states that the term of a framework must not exceed 4 years (or 8 years for a “defence and security framework” or “utilities framework”). A framework may have a longer term if the contracting authority considers that the “nature” of the goods, services and works to be supplied means a longer term is required. Reasons for a longer term must be set out in the tender notice or transparency notice for the framework (clause 45(3)).

Clause 46 (Frameworks: implied terms) confirms that there is a term implied into every framework that a contracting authority may exclude a supplier that is an excluded supplier, or who has become an excludable supplier since the framework was awarded, from participating in any call-off procedure run under the framework.

Clause 47 (Open frameworks) of the Bill provides for the new concept of “open frameworks.” An open framework provides for the award of successive frameworks, as part of a ‘scheme’ of frameworks, on substantially the same terms (capable of being made by reference to the same tender or transparency notice without “substantial modification”). Given this, the framework is not so much a single open framework, as a number of individual frameworks let one after another. Whether this has significant utility and flexibility remains to be seen.

Open frameworks must provide for the award of a framework at least once during:

- the period of 3 years following the award of the first framework; and
- each period of 5 years following award of the second framework.

Each open framework in a scheme will expire on the award of the next framework. The final open framework must expire 8 years following the award of the first framework. An open framework awarded to only one supplier must expire 4 years following contract award.

An open framework may be awarded to an existing supplier by way of reference to a tender relating to an earlier award or relating to the current award. If there is no limit on the number of suppliers that can be party to a framework, a contract may be awarded to an existing supplier merely due to the fact that the supplier has been awarded a previous framework under the same scheme. Whether this will happen in practice, or whether suppliers (and contracting authorities) will want to take the opportunity to refresh pricing and proposals is likely to depend on the details of the individual frameworks.

## Chapter 5: After award, atandstill periods and notices

Clause 48 (Contract award notices and assessment summaries) of the Bill provides that before entering into a public contract, contracting authorities must (unless an exception set out in clause 48(6) applies):

- provide an “assessment summary” to each supplier who submitted a tender, comprising information regarding the authority’s assessment of the supplier’s tender and the assessment of the winning tender). We read this as two separate sets of feedback, rather than a comparative exercise as is currently required by the provision of the “characteristics and relative advantages” of the winning bid;
- publish a “contract award notice” (confirming that the authority intends to enter into a contract);
- wait for the “mandatory standstill period” to end (8 working days starting on the date that the contract award notice is published) or, if later, any other standstill period provided for in the contract award notice (clause 49, Standstill periods on the award of contracts); and
- pursuant to clause 50 (Key performance indicators), if the contract value exceeds £2 million, set at least 3 key performance indicators in respect of the contract (subject to any exceptions set out in clause 50(5) e.g. framework agreements).

Once a public contract is entered into, clause 51 (Contract details notices and publication of contracts) provides that a “contract details notice” must be published confirming the same within 30 days of the contract being entered into (120 days for light touch contracts). If the estimated value of the contract exceeds £2 million, the authority must publish a copy of the contract (contracting authorities will need to carefully consider which elements of the contract should be redacted).

The Bill refers throughout to a range of notices that contracting authorities must or may issue during a procurement process. We have set out such notices below with confirmation as to whether they are compulsory or voluntary. All notices are subject to additional regulations that may be made under clause 86 (Notices, documents and information: regulations) regarding the form, content, method of issue and publication requirements or notices under the Bill.



<b>Notice</b>	<b>Clause</b>	<b>Compulsory / Voluntary</b>
<b>Pipeline notice</b>	84	Compulsory for contracting authorities who consider that they will pay more than £100m under relevant contracts in the coming financial year
<b>Planned procurement notice</b>	14	Voluntary
<b>Preliminary market engagement notice</b>	16	Voluntary
<b>Tender notice</b>	20	Compulsory where a contracting authority intends to award a public contract pursuant to clause 18
<b>Contract award notice</b>	48	Compulsory before entering into a public contract (which does not appear to include call-offs awarded under a framework or contracts concluded under a dynamic market)
<b>Contract details notice</b>	51	Compulsory
<b>Procurement termination notice</b>	53	Compulsory – to be published as soon as reasonably possible after making a decision not to award a contract following the publishing of a tender or transparency notice.
<b>Contract change notice</b>	70	Compulsory (except where exemptions in clause 70(2) apply)
<b>Contract termination notice</b>	73	Compulsory – to be published within 30 days of the termination of a public contract, including discharge; expiry; termination by a party; rescission; or set aside by Court order
<b>Dynamic market notice</b>	39	Compulsory where a dynamic market is to be established
<b>Transparency notice</b>	43	Compulsory where there is a direct award within the meaning of clause 40 or clause 42
<b>Payments compliance notice</b>	64	Compulsory
<b>Below-threshold tender notice</b>	79	Compulsory where a contracting authority intends to advertise for the purpose of inviting tenders for a below threshold procurement

## Chapter 6: General provision about award and procedures

### Time limits

Clause 52 (Time limits) provides that all time limits set by a contracting authority for a procurement process must be the same for all suppliers (equal treatment provision). Additionally, when setting time limits, contracting authorities must have regard to:

- the nature and complexity of the contract or any modification to the tender notice/associated documents;
- the need for site visits, physical inspection, other practical steps or subcontracting;
- the nature and complexity of any modification made to the tender notice or associated tender documents; and
- the importance of avoiding unnecessary delay.

Clause 52 also sets out the following minimum time limits which must be adhered to during the “participation period” and “tender period” of a procurement process:

**Participation Period (day following invitation to submit requests to participate until day of deadline for submission):**

Circumstance	Minimum period
Light Touch Contract	No minimum
State of urgency making 25 days impractical	10 days
Standard	25 days

**Participation Period (day following invitation to submit requests to participate until day of deadline for submission):**

Circumstance	Minimum period
Light Touch Contract	No minimum
Qualifying planned procurement notice issued	10 days
State of urgency making other minimum periods impractical	10 days
Tenders submitted electronically and tender notice and associated tender documents are all provided at the same time.	25 days
Tenders submitted electronically and tender notice and associated tender documents are not all provided at the same time.	30 days
Tenders not submitted electronically and tender notice and associated tender documents are all provided at the same time.	30 days
Tenders not submitted electronically and tender notice and associated tender documents are not all provided at the same time.	35 days



### Excluded and excludable suppliers

Clause 54 (Meaning of excluded and excludable suppliers) sets out the definition for “excluded” and “excludable” suppliers.

Suppliers are excluded if the contracting authority considers that a mandatory exclusion (set out at Schedule 6 of the Bill) applies to the supplier or an “associated supplier” (defined in clause 26(4) as a supplier that the supplier tendering for a contract is relying on to meet the conditions of participation for the procurement) and the circumstances giving rise to the mandatory exclusion are likely to occur again; or the supplier or an associated supplier is on the “debarment list” due to a mandatory exclusion ground.

The broad headings of mandatory exclusion grounds have been recast according to UK-specific grounds and read much more easily than the previous grounds under the PCR. They are set out in Schedule 6 and include:

- Corporate manslaughter or homicide;
- Terrorism;
- Theft, fraud, bribery etc.;
- Labour market, slavery and human trafficking offences;
- Organised crime;
- Tax offences;
- Cartel offences;
- Ancillary offences (including aiding, abetting, counselling or procuring the commission of an offence otherwise set out in Schedule 6);
- Offences committed outside the United Kingdom which would otherwise have been an offence under Schedule 6;
- Misconduct in relation to tax; and
- Competition law infringements.

In respect of the mandatory exclusion grounds in Schedule 6, there is a difference in approach to the timings that are currently set out in the PCR. Whilst the general rule is that the mandatory exclusion ground should have occurred in the preceding five years, there are some mandatory exclusion grounds that now only need to have occurred in the preceding three years (set out in Paragraph 42(4) of Schedule 6), including (among others) blackmail, fraud and fraudulent trading, and labour market offences. Additionally, Paragraph 42(3) sets out various mandatory exclusion grounds that are to be disregarded to the extent that they occurred before the coming into force of Schedule 6.

Given the change in approach to timings, contracting authorities will need to familiarise themselves with the new mandatory exclusion periods to ensure that they apply the exclusion grounds appropriately on a case-by-case basis.

Suppliers are excludable if the contracting authority considers that a discretionary exclusion (set out at Schedule 7 of the Bill) applies to the supplier or an associated supplier and the circumstances giving rise to the discretionary exclusion are likely to occur again; or the supplier or an associated supplier is on the “debarment list” due to a discretionary exclusion ground. The broad headings of the discretionary exclusion grounds set out in Schedule 7 include:

- Labour market misconduct;
- Environmental misconduct;
- Insolvency, bankruptcy etc.;
- Potential competition infringements;
- Professional misconduct;

- Breach of contract and poor performance of a contract to which a contracting authority, a public authority, or an equivalent authority outside of the UK are a party to;
- Acting improperly in procurement; and
- Posing a threat to national security.

Again, these have been re-cast for UK-specific circumstances, but also address some of the previous frustrations of UK contracting authorities in applying the previous regime of exclusions, including settlement agreements under the ground for breach of contract.

Clause 55 (Considering whether a supplier is excluded or excludable) sets out the matters that contracting authorities should consider in determining the likelihood of circumstances occurring again including steps taken to prevent reoccurrence, time elapsed and evidence that the supplier took the circumstances seriously. This is the new version of “self-cleaning” in the Bill, and the process here is the same for both “excluded” and “excludable” suppliers. Clause 55 also includes requirements for contracting authorities to allow representations and evidence from suppliers prior to making a decision. For a private utility, excluded suppliers are to be regarded as excludable.

## Debarment

A key policy area under the Green Paper was the introduction of a centrally managed debarment list, with the intention being that the exclusion rules would be used to tackle unacceptable behaviour in public procurement.

The Government set out its intention to establish the centrally managed debarment list, with suppliers falling within one of the mandatory exclusion grounds being added to the list, streamlining the process of identifying suppliers who have relevant convictions under the mandatory exclusion grounds. The concept of the debarment list has been taken forward into the Bill (see clause 59 below), and where a supplier is included on the list they should be excluded from procurements (on the basis that are an “excluded” supplier (although they can apply to be removed from the debarment list following suitable self-cleaning)).

Contracting authorities are obligated under clause 56 (Notification of exclusion of supplier) to notify the relevant appropriate authority within 30 days of a supplier being disregarded, excluded, or replaced due to a relevant exclusion. Contracting authorities must also provide notice if proceedings are brought under Part 9 relating to the disregard or exclusion of a supplier within 30 days of the proceedings being commenced or determined.

A Minister of the Crown can investigate, at any time whether a supplier is an excluded or excludable supplier due to a relevant exclusion ground. The Minister of the Crown must follow the procedural requirements set out in clause 57 (Investigations of supplier: exclusion grounds) including the issue of a notice to the supplier relating to the investigation. An investigating Minister can request by notice, documents and other assistance from contracting authorities and the supplier. In accordance with Clause 58, a Minister is required to prepare a report following an investigation under clause 57 and may be required to publish or issue to the supplier the report (or part of it) pursuant to clause 58.

Clause 59 (Debarment list) provides for the new concept of a “debarment list” first explored in the Green Paper (and the policy of which is considered above). This allows a Minister of the Crown to enter the name of a supplier as an excluded or excludable supplier on a list following an investigation under clause 57 by the Minister. An entry on the debarment list must confirm which exclusion grounds apply to the supplier, if they are mandatory or discretionary and when the Minister expects

the ground(s) to no longer apply (and the supplier's name be removed from the debarment list). A Minister of the Crown:

- must publish the debarment list and any amends;
- must consult with Welsh Ministers and Northern Ireland Department before entering or removing a supplier form the list;
- must keep the list under review;
- may amend the list at any time; and
- must remove an entry if it is satisfied that the supplier is not an excludable or excluded supplier.

A supplier may apply to a Minister of the Crown, at any time, for removal of their name from the debarment list (clause 60, Debarment list: application for removal). The application must only be considered by a Minister if there has been a material change in circumstances since the supplier was listed or since the supplier's last application for removal or, the application is supported by significant information that has not previously been considered by the Minister.

Clause 61 provides for appeals by suppliers against a decision to enter their names on the debarment list or not to remove their name from the list following an application under clause 60. The procedure for bringing and determining such appeals is to be set out in secondary legislation.



## Part 4: Management of public contracts

Part 4 of the Bill refers to the management of public contracts, covering three key areas of procurement practice that will be of great interest to procurement practitioners. First, new implied terms that will be deemed to be incorporated into all public contracts. Second, and mostly controversially, are new requirements for contracting authorities to publish information about payments and supplier performance and clauses governing the interaction with sub-contractors, representing a radical change to on-going contract performance management with significant potential impacts on bidder's rights to participate in future opportunities. Third, are clauses governing the modification of existing contracts, replacing Regulation 72 of the PCR.

### Terms implied into public contracts

The Bill sets out a series of terms that are to be implied into every public contract which have the following effects:

- Contracting authorities must accept and process electronic invoices that meet certain minimum requirements – set by reference to standards adopted by the British Standards Institution (clause 62, Electronic invoicing: implied term).
- Contracting authorities must make payment within 30 days of receiving an invoice from a supplier (clause 63, Implied payment terms in public contracts). This payment period does not apply where the invoice is disputed, to concession contracts or utilities contracts awarded by a private utility or to contracts awarded by a maintained school, academy or sixth form college. However, parties remain at liberty to agree shorter payment periods (clause 63(7)).

Any term included in a public contract which purports to restrict or override these terms will not have legal effect (clause 62(5)) or are “without effect” (clause 63(6)).

### Notices about payments and performance

Clause 64 (Payments compliance notices) creates a new obligation for contracting authorities to publish a “payments compliance notice”. This notice must be published every six months (with a reporting period ending 1 March or 30 September, as appropriate) and should set out information detailing that contracting authority's compliance with its obligation to make payments within 30 days of invoices (see clause 63 above). This clause does not apply to private utilities.

Clause 65 (Information about payments under public contracts) creates a further obligation for contracting authorities to publish information on a quarterly basis about any single large payment (over £30,000) made in the previous quarter (although the financial threshold and time limit for publication may subsequently be changed by secondary legislation). The information must be published within 30 days of the end of quarter in which the payment has been made. This clause does not apply to utilities, concession contracts, or contracts awarded by a maintained school, academy or sixth form college

The requirements for the exact contents of these notices will be set out in secondary legislation under clause 86. At this stage, it is clear that these will be an additional administrative burden for contracting authorities, but the full extent will only be known once the detailed regulations are published.

A further publication requirement is set by clause 66 (Assessment of contract performance). Where a contracting authority has set and published Key Performance Indicators (KPIs) in compliance with clause 50 (which requires at least three KPIs

to be published for contracts worth more than £2m), it must publish information annually about the supplier's compliance with those KPIs.

Clause 66(5) also requires contracting authorities to publish information about a supplier's breaches of contract where that breach leads to termination, damages or an agreed settlement. Full details of the contents of these notices will be specified in regulations. Relevant information must be published within 30 days of the date when clause 66(5) first applied (for example, the date when the public contract was terminated, the date that damages were awarded, or the date of a settlement agreement).

The discretionary exclusion grounds (set out in Schedule 7) include circumstances where a contracting authority has published information under clause 66(5) about a suppliers' breach or poor performance of a contract. Another discretionary exclusion ground is where a supplier has failed to improve performance after being given an opportunity to do so when they are not performing to the contracting authority's satisfaction. This is an extension of the existing discretionary exclusion ground for poor past performance under the PCR which was narrowly drafted and not widely used (notably as contracting authorities often struggled to gather enough information to confidently rely on the exclusion ground). The setting and monitoring of KPIs for higher value contracts and the general performance by suppliers under all contracts will undoubtedly take on much greater significance under the new rules. Clause 66 does not apply to private utilities.

### Sub-contracting

Clause 67 (Sub-contracting: directions) creates a new power for contracting authorities to insist that suppliers enter into legally binding arrangements with sub-contractors who are to fulfil parts of a public contract. If a supplier fails to do so, having been directed by the contracting authority, the contracting authority can refuse to award the public contract (or, if the public contract has already been entered into, terminate it).

Clause 68 (Implied payment terms in sub-contracts) creates implied payment terms in "public sub-contracts" that are equivalent to those implied into the "tier 1" or "main" public contract as set out in clause 63. This means that payments by suppliers to sub-contractors must be made within 30 days of invoice, regardless of what the sub-contract actually says (see clause 68(3)). In practice, it will be interesting to see the extent to which sub-contractors feel able to enforce this against lead suppliers.

### Modifying public contracts

Clause 69 (Modifying a public contract) and Schedule 8 (Permitted contract modifications) set out the situations in which a public contract may be modified. It also introduces a new concept – the "convertible contract" – which is a contract that will become a public contract as a result of a modification.

Modifications of either a public contract or a convertible contract are allowed where they are permitted modifications (within the meaning set out in Schedule 8, Permitted contract modifications), where the modification is not substantial (clause 69(3)), or where the modification is below threshold (clause 69(4)).

The permitted contract modifications in Schedule 8 provide that public contracts can be modified in the following circumstances:

- Provided for in the contract: where this is unambiguously provided for in the awarded contract and the tender documents, and where this does not change the overall nature of the contract.

- Urgency and the protection of life, etc: where the purpose could otherwise be achieved via direct award (under clause 40) by reference to paragraph 13 of Schedule 5 (extreme and unavoidable urgency) or to clause 41 (direct award to protect life, etc).
- Unforeseeable circumstances: where the modification is required in response to circumstances that were not reasonably foreseeable at the time that the contract was awarded and does not change the overall nature of the contract or increase the contract value by more than 50%.
- Materialisation of a known risk: where the modification is required in response to a “known risk” that has prevented the contract from being performed as required, goes no further than necessary to address the “known risk”, does not increase the contract value by more than 50% and where awarding a different contract would not be in the public interest. A known risk is one that has been identified in the procurement documents but, due to its nature, could not be addressed in the contract as awarded.
- Additional goods, services or works: where the modification is required for additional goods, services or works of the kind supplied in the original contract where using a different supplier would result in different or incompatible goods, services or works that would cause disproportionate technical difficulties or substantial inconvenience and substantial duplication of costs. Such a modification cannot increase the value of the contract by more than 50%.
- Transfer on corporate restructuring: where the modification is required to novate a contract following a corporate restructuring or similar circumstance.
- Defence authority contracts: where the modification is required to a defence authority contract to enable the contracting authority to respond to developments in technology and continuous supply of those goods, services or works is necessary to maintain the operational capabilities of the Armed Forces.

A modification is not substantial (and therefore permitted) within the meaning of clause 69(3) where the modification does not:

- increase or decrease the term by more than 10% of the original period (e.g. a 5 year contract will only be able to be varied by 6 months);
- change the overall nature or material scope of the contract; or
- materially change the economic balance of the contract in favour of the supplier.

A modification is below threshold (and therefore permitted) within the meaning of clause 69(4) where the modification does not:

- alter the value of the contract by more than 10% for a goods or services contract or 15% for a works contract;
- result in the aggregated value of the contract (i.e. the value of the contract following its modification) exceeding the relevant procurement threshold (or any series of modification do not, in total, exceed the relevant threshold); and
- change the scope of the contract.

Clause 69(2) also provides that a contracting authority is permitted to modify a light touch contract.

Clause 70 (Contract change notices and publication of modifications) sets out a requirement to publish a “contract change notice” if the contracting authority is relying on the “permitted modification” grounds set out in Schedule 8. Clause 70 also requires the publication of a contract change notice if a series of modifications to a contract, when taken together, would no longer count as not substantial or below threshold as described above.

Clause 70(2) sets out that a contract change notice will not be required if the modification:



- increases or decreases the value of the contract by 10% or less for goods or services contracts, or 15% or less for works contracts;
- increases or decreases the term of the contract by 10% or less of the maximum term provided for on award; or
- relates to a light touch contract.

However, where the modification falls within (a) or (b) above, and the contracting authority considers that it could reasonably have been made together with another modification which itself requires a contract change notice, a further contract change notice will be required in respect of that modification (clauses 70(4) and 70(5)).

Additionally, pursuant to clause 70(6), where a contracting authority makes a qualifying modification (defined by clause 70(7) as a modification which modifies, or results in, a public contract with an estimated value of more than £2m), the contracting authority must publish a copy of the contract (as modified) within 90 days of the modification.

Clause 71 (Voluntary standstill period) provides that contracting authorities are able to impose voluntary standstill periods in respect of contract modifications and, where such a voluntary standstill period has been included in the contract change notice, the contracting authority is not permitted to complete the modification until that standstill period has elapsed. As set out earlier in respect of Part 3 of the Bill, the standstill period is a period of 8 working days beginning on the date of publication of the contract change notice.

### Terminating public contracts

Clause 72 creates further implied contractual terms enabling a contracting authority to terminate a public contract if any the following grounds apply:

- the contract was awarded or modified in material breach of the Procurement Act or regulations made under it;
- the supplier has, since the award of the contract, become an excluded supplier or the contracting authority discovers that, at the time of contract award, the supplier was an excludable supplier (including by reference to an associated supplier); or
- a sub-contractor to the supplier has, since the award of the contract, become an excluded supplier or an excludable supplier – but only where the contracting authority has requested information in relation to sub-contractors under clause 28(1) (Excluding suppliers by reference to sub-contractors) and did not know that the supplier intended to use a sub-contractor that is excluded or excludable.

Pursuant to clause 72(4), before terminating a public contract under this implied term, the contracting authority must notify the supplier of its intention to terminate and the termination ground that applies. The supplier must be given a reasonable opportunity to make representations in response. If the proposed termination is due to a sub-contractor being excluded or excludable, the supplier must be given reasonable opportunity to cease sub-contracting and find alternative provision.

Clause 73 (Contract termination notices) contains a new requirement for contracting authorities to publish a “termination notice” within 30 days of a public contract’s expiry, rescission, discharge, termination by a party, or set aside by a court. The termination notice must specify that the contract has ended and include any other details required by regulations. It will be interesting to see whether, in practice, contracting authorities will remember to publish termination notices, particularly as they will inevitably coincide with the mobilisation of the newly procured contract.

## Part 5: Conflicts of interest

Part 5 of the Bill addresses conflicts of interest and how to identify them, mitigate the impact of any conflicts and carry out conflict assessments. Although the PCR includes high level measures at Regulation 24 to tackle conflicts of interest, Part 5 of the Bill goes into more detail in respect of what comprises a conflict, including a duty to exclude a supplier if it cannot be managed and a more onerous requirement to prepare a conflicts assessment prior to publishing a tender notice or transparency notice.

### Duty to identify

Clause 74 (Conflicts of Interest: duty to identify) provides that a contracting authority must take all reasonable steps to identify and keep under review any conflict of interest or potential conflict of interest in relation to a procurement. A conflict of interest can arise in respect of a person (or Minister) acting for or on behalf of a contracting authority in relation to a procurement. Such person is “acting in relation to a procurement” if they influence a decision made by or on behalf of a contracting authority in relation to a procurement (see clause 74(3)). An “interest” is defined as a personal, professional or financial interest and may be direct or indirect (see clause 74(4)).

### Duty to mitigate

Clause 75 (Conflicts of interest: duty to mitigate) provides that a contracting authority must take all reasonable steps to ensure that a conflict of interest does not put a supplier at an unfair advantage or disadvantage in respect of a procurement. This may include the contracting authority asking a supplier to take reasonable steps to ensure that it is not put at an unfair advantage (see clause 75(3)).

If a contracting authority considers that a conflict of interest puts a supplier at an unfair advantage in relation to the award of a contract, and either the advantage cannot be avoided or the supplier will not take steps that the contracting authority considers necessary, the supplier must be treated as an excluded supplier.

### Conflict assessments

Clause 76 (Conflicts assessments) provides that before publishing a tender or transparency notice or publishing a dynamic market notice, a contracting authority must prepare a conflicts assessment in relation to a procurement. A conflicts assessment must include details of any actual or potential conflicts of interest the contracting authority has identified (defined in the Bill as the “duty to identify”) and any steps that the contracting authority has taken to mitigate such conflicts in accordance with clause 75 (defined in the Bill as the “duty to mitigate”). Details must also be included where a contracting authority is aware of circumstances that might cause a reasonable person to wrongly believe that there is an actual or potential conflict of interest and the steps it has taken to address such a perception.

A contracting authority must keep any conflict assessments under review, revise such assessments as necessary and when publishing any notices, confirm that a conflicts assessment has been prepared and revised (see clause 76(5)).



## Part 6: Below-threshold contracts

Clause 77 (Regulated below-threshold contracts) defines a regulated below-threshold contract as a contract which has an estimated value that is below the relevant threshold as set out in Schedule 1 to the Bill and which is not:

- exempted under Schedule 2 to the Bill;
- a concession contract; or
- a utilities contract.

Clause 77(2) provides that Part 6 of the Bill regarding below-threshold contracts does not apply to a contracting authority that is a maintained school, Academy or sixth form college, nor does it apply in relation to the award and subsequent management of a contract awarded by a transferred Northern Ireland authority unless the contract is let under a reserved procurement arrangement or a devolved Welsh procurement arrangement. Part 6 also does not apply to a contract awarded under a transferred Northern Ireland procurement arrangement.

Clause 78 (Regulated below-threshold contracts: procedure) sets out the procedure to be adopted for the procurement of below-threshold contracts, and sets out that where a contracting authority intends to procure a regulated below-threshold contract, it may not restrict submission of tenders on the basis of a supplier's legal and financial capacity or technical ability. This is equivalent to regulation 111 of the PCR that prohibits the use of a pre-qualification stage for below-threshold contract opportunities.

There is an exception to this prohibition in respect of works contracts with an estimated value of over £138,760 in respect of central government authorities or £213,477 in respect of any other contracting authority.

This prohibition in clause 78(1) also does not apply in relation to the award of contracts by a devolved Welsh authority (unless awarded under a reserved procurement arrangement), under a devolved Welsh procurement arrangement, or for call-off contracts awarded in accordance with a framework.

### Below-threshold tender notice

Clause 79 (Regulated below-threshold contracts: notices) relates to the notification requirements for regulated below-threshold contracts, and provides that such contracts must be notified to the market in a below-threshold tender notice if they have an estimated value of:

- in the case of contracts to be awarded by a central government authority, not less than £12,000, or
- in the case of contracts to be awarded by any other contracting authority, not less than £30,000.

These contracts are called “notifiable below-threshold contracts”.

If a contracting authority intends to procure a notifiable below-threshold contract, it must first publish a below-threshold tender notice before it advertises for the purposes of inviting tenders. While the Bill is silent on where such advertisement might be placed, we understand this to be the equivalent of the current regulation 110 in the PCR which prohibits the advertisement of below-threshold opportunities which exceed specified values until a contract notice has been published to the Find a Tender Service. The requirement to publish does not apply if the contracting authority only invites tenders from particular or pre-selected suppliers and does not advertise the opportunity elsewhere.

The required content of a below-threshold tender notice is yet to be published and will follow in secondary legislation.

Any time limits included in a below-threshold tender notice must be reasonable and the same for all suppliers (clause 79(6)).

### **Contract details notice**

The contracting authority must publish a “contract details notice” as soon as reasonably practicable after entering into a notifiable below-threshold contract (see clause 79(3)). This is the new equivalent to the Contract Award Notice under the PCR and is in addition to the new “contract award notice” under the Bill (although a contracting authority seems not to need to publish a contract award notice under this Bill for a notifiable below-threshold contract, only a contract details notice).

The required content of a contract details notice is yet to be published and will follow in secondary legislation.

Clause 80 (Regulated below-threshold contracts: implied payment terms) implies payment terms into every regulated below-threshold contract entered into by a contracting authority, providing for:

- sums due from the contracting authority to be paid within 30 days of the date of receipt of a valid and undisputed invoice (clause 80(2)(a)) or (if later) the date on which the sum first became due in accordance with such invoice (clause 80(2)(b)); and
- the contracting authority to notify the supplier without undue delay if it receives an invoice which it considers to be invalid (clause 80(4)(a)) or which it disputes (clause 80(4)(b)).

Pursuant to clause 80(7), invoices are considered to be valid if they meet the requirements of the contract, and set out:

- the name of the invoicing party,
- a description of the goods, services or works supplied,
- the sum requested, and
- a unique identification number.

Clause 80(8) provides that terms equivalent to the above payment terms will be implied into any sub-contract, supply agreement or other contract which is wholly or substantially for the purpose of performing (or contributing to the performance of) the regulated below-threshold contract.

Clauses 80(10) and 80(11) provide that parties to a regulated below-threshold contract cannot contract out of these payment terms, although they can agree that sums must be paid earlier than the prescribed 30 days.

## Part 7: Implementation of international obligations

### ‘Excludable’ bidders – non-UK and non-treaty state suppliers

In accordance with clause 18(3) of the Bill (Award of public contracts following a competitive procedure), contracting authorities may exclude non-UK suppliers and non-treaty state suppliers.

### What is a treaty state supplier?

Clause 81 introduces a new term of “treaty state supplier”. This is distinct from a “United Kingdom supplier” (which is described below), and a treaty state supplier is a supplier that is “entitled to the benefits” of one (or more) of the international agreements listed in the Bill’s Schedule 9.

The specified international agreements currently listed in Schedule 9 (in chronological order) include the WTO GPA, the EU-UK Trade and Cooperation Agreement (the TCA), and 22 other free trade agreements, strategic partnerships and other agreements providing for economic cooperation. Regulations may be brought forward to amend Schedule 9 from time to time.

Clause 81(1) provides that a treaty state supplier is entitled to the benefit of an international agreement set out in Schedule 9 (Treaty state suppliers (specified international agreements)).

For the purposes of clause 81(1), being “entitled to the benefit” means being entitled to access to the relevant market-place, and being entitled to a right to enforce the provisions of that international agreement in respect of the same.

The rationale for the provisions contained in Part 7 relate to the United Kingdom’s post-Brexit trade discussions, and the need to establish our own network of Free Trade Agreements (FTAs), and this was trailed as one of the key benefits of being a sovereign state outside of the European Union.

As part of each FTA that the United Kingdom has signed up to, an agreement is made to allow suppliers in the relevant state access to certain parts of our market (and vice versa). Not all FTAs will provide the same market access conditions, and in complying with the obligations under each FTA it will be necessary to understand which suppliers have access to which markets under each agreement (for example, whether the FTA only grants access to services markets, or whether it grants full market access).

Clause 81(2) of the Bill specifically addresses this issue, clarifying that a supplier is only a treaty state supplier to the extent that the FTA to which it is entitled to the benefit of in relation to the procurement being carried out or challenged (i.e. it has access under its relevant FTA to the specific market for the relevant procurement).

A treaty state can be a sovereign state, territory or organisation of states (but not the UK) that is party to a Schedule 9 international agreement with the UK.

Clause 82 (Treaty state suppliers: non-discrimination) sets out that a “United Kingdom Supplier” must be established in, controlled from or mainly funded from the UK (including British Overseas Territories or Crown Dependencies), but cannot be a treaty state supplier.

Further, a supplier cannot claim to be a treaty state supplier if it is entitled to the benefit of an international agreement solely due to the UK being a party to that agreement.

Additionally, clause 82 sets out the general prohibition on contracting authorities discriminating against a treaty state supplier in carrying out a procurement. This prohibition catches situations where a treaty state supplier is treated less favourably than any UK or other treaty state supplier by virtue of:

- association with a particular treaty state; or
- lack of association with the UK or any other treaty state.

This general prohibition aligns with the World Trade Organisation's Most Favoured Nation principle, whereby members must accord the most favourable treatment given to any one member to all other members (i.e. it is not permitted under those international obligations to discriminate in favour of UK based suppliers).

As originally drafted, this non-discrimination principle was not enforceable in civil proceedings in respect of below-threshold procurements or international organisation procurements. However, the Government has proposed an amendment during the House of Lords Committee Stage to clarify that this non-discrimination principle is enforceable in civil proceedings in the case of covered procurements.



## Part 8: Information and notices: General provision

Part 8 relates to the requirements to provide information in relation to any significant anticipated procurement spend and the use of electronic communication. It provides for regulations to be made to specify what should be included in any relevant notices and how they should be published. This Part also provides a power for further regulations to be made to support the sharing of procurement related information through a single electronic portal.

### Pipeline notices

Clause 84 (Pipeline notices) provides that where any contracting authority considers that it will spend more than £100 million under “relevant contracts” in the coming financial year, it must publish what is known as a ‘pipeline notice’ to notify the market of its anticipated spend. Contracts for the supply of goods, services or works (above and below-threshold and other than exempted contracts) will count towards the £100 million threshold.

The pipeline notice must be published within 56 days of the beginning of the relevant financial year.

The pipeline notice must provide information about any public contract with an estimated value of more than £2 million in respect of which the contracting authority intends to publish either a tender notice or a transparency notice within the next 18 months.

There will be additional mandatory information that should be included in the pipeline notice, but the details of this (and the requirements of any other notices under the Act, including how they should be published) will be introduced by way of regulations made under clause 86 in due course.

It is anticipated that the relevant financial thresholds for publishing a pipeline notice will change from time to time by regulations.

The requirement to publish a pipeline notice will not apply to private utilities.

### Exemptions to the pipeline notices requirement

Clause 85 (General exemptions from duties to publish or disclose information) makes clear that there are circumstances where a contracting authority is not required to provide the information anticipated in a pipeline notice and may withhold or otherwise redact the information. Those are where the contracting authority is satisfied that:

- withholding the information envisaged in a pipeline notice is necessary for the purpose of safeguarding national security, or
- the information is sensitive commercial information and there is an overriding public interest in it being withheld from publication. This will include information that amounts to a trade secret, or which would be likely to prejudice the commercial interests of any person (including legal persons such as companies and partnerships) if it were to be published.

In the event that either of those two conditions are met, the contracting authority should publish:

- the fact that the information is being withheld; and
- the basis on which it is being withheld.

If the contracting authority is satisfied that publishing that information alone would be contrary to the interests of national security, then it does not need to do so (clause 85(4)).

Clause 86 (Notices, documents and information: regulations) sets out that an “appropriate authority” (defined in clause 111 as a Minister of the Crown, the Welsh Ministers or a Northern Ireland department) may make further regulations to govern the form and content of notices, documents and other information to be published or provided under the new regime, and which set out how such notices or documents are to be published, provided or revised.

Given the numerous publication requirements under the Bill, this provision is a key piece of the legislative jigsaw, and further regulations will need to be made pursuant to this provision.

### **Electronic communications**

Clause 87 (Electronic communications) provides that, so far as practicable when carrying out a procurement, the contracting authority must communicate with suppliers electronically and take steps to ensure that suppliers participating in a procurement do likewise.

However, in doing so, a contracting authority may only use, or require the use of, systems that are free of charge and readily accessible, general available (or operate alongside generally available systems), and are accessible to people with disabilities.

Clause 87(4) provides that where the contracting authority is satisfied that communicating in this way poses a particular security risk in the circumstances, then it does not need to do so.

### **Information relating to a procurement**

Clause 88 (Information relating to a procurement) relates to the requirement to share “information” relating to procurements. Full details will be set out in secondary legislation which are intended to support the creation of a ‘single electronic portal’ for the sharing of procurement related information. Information is widely defined by clause 88(5) as “information shared under or for a purpose relating to the Procurement Act”.

The requirement to share through the specified system may apply to both contracting authorities and suppliers, and is likely to be in line with the Open Contracting Data Standard (OCDS) principles and processes supported in the Green Paper. The Green Paper sets out that the OCDS is a free, non-proprietary, open data standard for public contracting which has been implemented by over 30 governments globally.

The OCDS explains how data and documents are to be published at all stages of the contracting process, and the Green Paper highlighted the intention for the new procurement regime to legislate in order to require all contracting authorities to publish procurement and contracting data throughout the entire commercial lifecycle in a format that adheres to the OCDS. Whilst the Bill has not yet gone this far, it is likely that further regulations will adopt this principle.

In addition, Clause 88 requires a contracting authority to keep records of communications between it and suppliers that relate to procurement process, although it does not specify how those records should be kept.

## Part 9: Remedies for breach of statutory duty

Clause 90 (Automatic suspension of the entry into or modification of contracts) relates to the automatic suspension which prohibits the entry into or modification of contracts where a procurement challenge has been commenced in relation to that contract and the contracting authority has been notified of that fact. It is broadly reflective of the current rules regarding the automatic suspension (except that the automatic suspension now also applies to the modification of existing public contracts).

One notable difference under clause 90(4) is that the automatic suspension does not apply where the contracting authority has been notified of the challenge after the expiry of any applicable standstill period. This seems to reflect the general direction of travel set out in the Green Paper, which seeks to focus on pre-contract remedies.

### Interim remedies

Clause 91 (Interim remedies) sets out the interim remedies that are available for the domestic courts to make in proceedings under Part 9, and includes the following orders:

- an order lifting or modifying the automatic suspension;
- an order extending the automatic suspension or imposing a similar restriction;
- an order suspending the effect of any decision made or action taken by the contracting authority carrying out the procurement;
- an order suspending the procurement or any part of it;
- an order suspending the entering into or performance of a contract; and/or
- an order suspending the making of a modification of a contract or performance of a contract as modified.

In making any of the orders identified in clause 91, the Court must have regard to the interest of suppliers (including whether damages are an adequate remedy) and the public interest in, amongst other things:

- upholding the principle that public contracts should be awarded and modified in accordance with the law;
- avoiding delay in the supply of goods, services or works in public contracts or modifications.

The Court must also have regard to any other matters that the Court considers appropriate.

### Pre-contractual remedies

Clause 92 (Pre-contractual remedies) sets out the various pre-contractual remedies for procurement challenges (i.e. remedies that are available before the contract has been entered into or before a contract has been modified) and includes the following orders:

- an order setting aside the decision or action;
- an order requiring the contracting authority to take any action;
- an order for the award of damages; and/or
- any other order that the Court considers appropriate.



## Post-contractual remedies

Clauses 93 (Post-contractual remedies) and 94 (Post-contractual remedies: set aside conditions) provide for “set aside orders”, replacing declarations of ineffectiveness under the current regime.

Courts must make a set aside order where the conditions in clause 94 are met (see below), unless there is an “overriding public interest” in not doing so.

In the context of set aside orders, clause 94(5) sets out that in considering the overriding public interest, the court may have regard to the financial consequences of setting aside the contract or modification only in exceptional circumstances, and must disregard costs that are associated with the contracting authority having to award the contract to a different supplier, a delay in the performance of the contract (or the contract as modified), or any legal obligations arising from setting aside the contract or modification.

The Courts can potentially consider the financial consequences of setting aside, however, they cannot take into account costs directly associated with having to award another contract or to a different supplier, delays in performance or complying with legal obligations.

If the contract is not set aside, the Court can reduce the term or scope of the contract.

Clause 94 deals with the set aside conditions. In general terms, the set aside conditions will be met if the Court is satisfied that the supplier has been denied a proper opportunity to seek a pre-contractual remedy. That will be where:

- Contract award notices are not published (including publication of a notice that does not contain accurate information);
- The contract is entered into or modified before the expiry of any relevant standstill period;
- The contract is entered into or modified when the automatic suspension is in place;
- The breach only becomes apparent in certain instances, e.g. on publication of the contract award notice or contract change notice (unless those notices provide for a standstill period and the contract is not entered into or modified before expiry of that standstill period);
- The breach only becomes apparent after the contract is entered into or modified.

## Time limits on claims

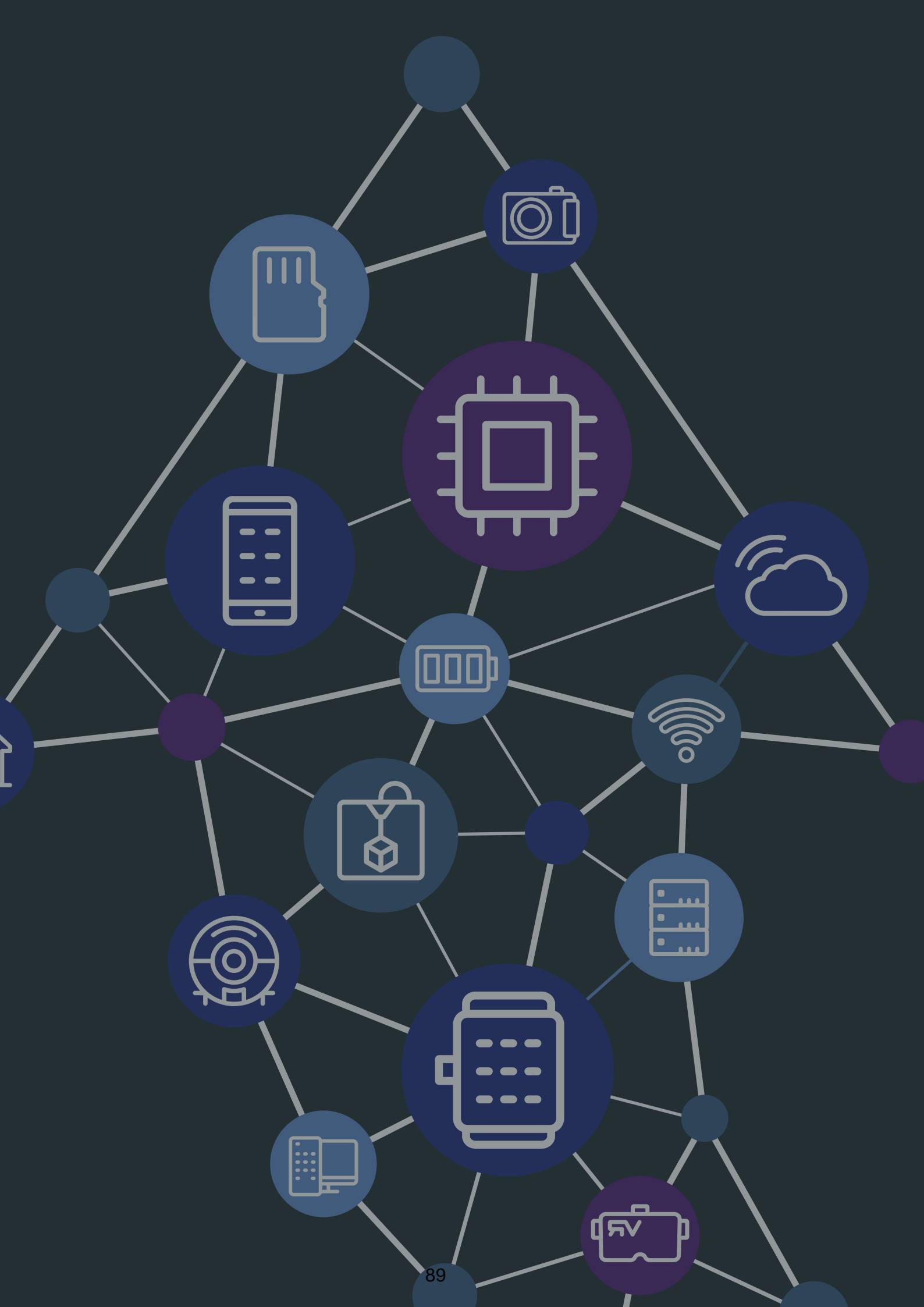
Clause 95 (Time limits on claims) provides that a supplier must commence proceedings before the end of the period of 30 days beginning with the day on which the supplier first knew or ought to have known, about “the circumstances giving rise to the claim”. This time limit can be extended by a court to 3 months where there is good reason for doing so.

With regard to the remedy of set aside, where a contracting authority has not published a contract details notice, the time limit will be the earlier of (i) 30 days from knowledge of the circumstances giving rise to the claim or (ii) 6 months, starting with the day on which the contract was entered into or modified.

As with the existing rules, the Court can extend time limits for good reasons and, in a departure from the current rules around declarations of ineffectiveness (where time limits could not be extended beyond six months), the time limit for commencing claims for set aside can seemingly also be extended for good reasons. Where the court considers there to be good reasons for an extension, it is not permitted to extend for any longer than three months from when the challenger first knew or ought to have known of the grounds for challenge (see clause 95(6)).







## Part 10: Procurement oversight

Part 10 relates to investigations which an appropriate authority (namely, Ministers, Welsh Ministers or a Northern Ireland department) may undertake to investigate a contracting authority's compliance with the Procurement Act. An appropriate authority can require contracting authorities to provide relevant documents or other assistance as part of the investigation and, upon the outcome of investigations, make recommendations with a view to ensuring compliance. The type of activity to be investigated under Part 10 is likely to include series or patterns of procurement breaches, and not just individual claims in isolation.

This Part also provides for an appropriate authority to publish guidance and lessons learned following an investigation, which other contracting authorities must have regard to when conducting their own procurements.

### Procurement investigations

Clause 96 (Procurement investigations) provides that an appropriate authority may investigate a “relevant” contracting authority's compliance with the requirements of the Procurement Act. An appropriate authority is a Minister of the Crown, a Welsh Minister or a Northern Ireland department.

Clause 96 also sets out that a procurement investigation may not be undertaken into an appropriate authority itself or into a private utility, and the limitation of procurement investigations into a relevant contracting authority's compliance raises questions as to how central government will be held to account. It is odd that a government department cannot be investigated given the value of central government spend.

There is currently no guidance on what circumstances will justify the use of a procurement investigation by an appropriate authority. We hope that subsequent guidance and/or regulations will be provided to clarify this further.

As part of a procurement investigation under clause 96, an appropriate authority may require, by notice, that a relevant contracting authority:

- provide such relevant documents as the appropriate authority may reasonably require for the purposes of the procurement investigation (such documents to include those specified in the notice or those which are in the possession or control of the relevant contracting authority).
- provide such other assistance in connection with the investigation as is reasonable in the circumstance and as specified in the notice.

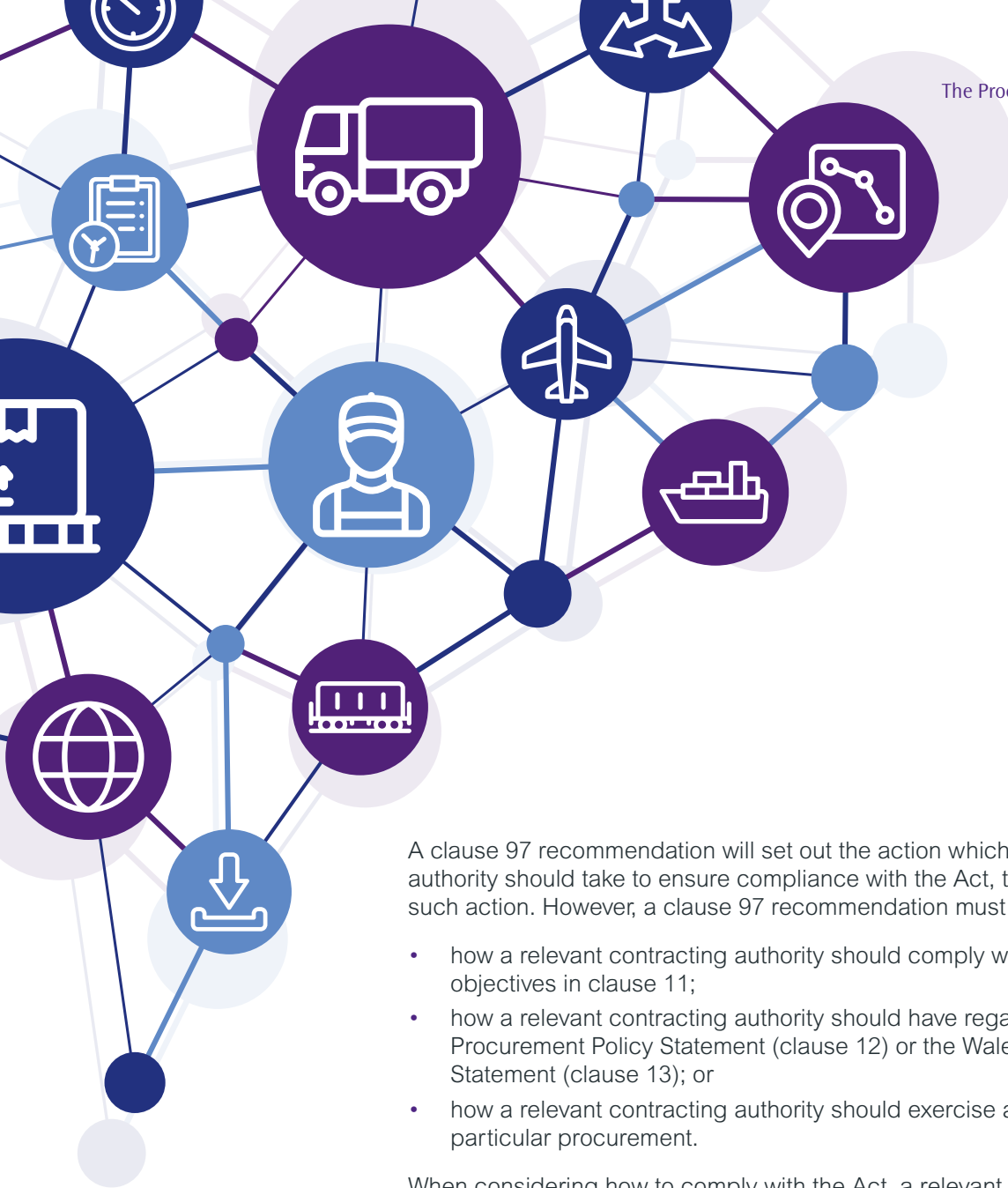
A relevant contracting authority must comply with a notice from the appropriate authority within the period specified in the notice (which must be at least 30 days).

Following the conclusion of the investigation, the appropriate authority may publish the results, including any clause 97 recommendation issued (see below).

### Clause 97 recommendations and progress reports

Where an appropriate authority has conducted a procurement investigation pursuant to clause 96 and considers, in light of the results of that investigation, that a relevant contracting authority is engaging in action which gives rise, or is likely to give rise, to a breach of the Act, a “clause 97 recommendation” may be issued.





A clause 97 recommendation will set out the action which the relevant contracting authority should take to ensure compliance with the Act, together with the timing of such action. However, a clause 97 recommendation must not relate to:

- how a relevant contracting authority should comply with the procurement objectives in clause 11;
- how a relevant contracting authority should have regard to the National Procurement Policy Statement (clause 12) or the Wales Procurement Policy Statement (clause 13); or
- how a relevant contracting authority should exercise a discretion in relation to a particular procurement.

When considering how to comply with the Act, a relevant contracting authority should consider any clause 97 recommendation issued to it. Further, if required by the clause 97 recommendation, a relevant contracting authority should submit a progress report to the appropriate authority setting out what action it has taken as a result of the recommendation or, if no action has been taken, a statement to that effect. Where no action is taken, or different action is taken to that which was recommended, reasons should be provided in the progress report.

The appropriate authority may also submit a progress report or, if the contracting authority itself fails to submit one, notice of that fact. We would expect such progress reports to be made publicly available, as per the current Public Procurement Review Service, but further detail on this point is required.

### Guidance

Clause 98 (Guidance following procurement investigations) provides that, following a procurement investigation, an appropriate authority may also publish guidance of the lessons learnt for compliance with the Act. Contracting authorities must have regard to any such guidance published when considering how to comply with the Act. Whether this guidance will be sustainable or not remains to be seen.

## Part 11: Appropriate authorities and cross-border procurement

Part 11 sets out further detail in relation to ‘appropriate authorities’ within the devolved administrations of the United Kingdom. This Part has been carefully worded and includes areas where Westminster would need the consent of the Welsh Ministers or a Northern Ireland department to make further regulations.

### Wales

Clause 99 (Welsh Ministers: restrictions on exercise of powers) provides that Welsh Ministers’ powers under the Bill are limited to:

- devolved Welsh authorities;
- contracting authorities that are “treated as” devolved Welsh authorities; and/or
- the award of contracts under a devolved Welsh procurement arrangement, or the management of such contracts.

While devolved Welsh authorities are defined in accordance with the Government of Wales Act 2006 (GWA), a contracting authority may find itself treated as such under the Bill if:

- its functions are exercisable wholly or mainly in relation to Wales and wholly or mainly not relating to “reserved matters” (as also defined in the GWA); and
- the contracting authority awarding or managing a contract for the purposes of exercising a function wholly in relation to Wales.
- A public undertaking or private utility is subject to a slightly different test, being that:
  - its functions are exercisable only in relation to Wales; and
  - its activities are wholly or mainly not relating to “reserved matters” (defined in the GWA).

### Northern Ireland

Clause 100 (Northern Ireland department: restrictions on the exercise of powers) sets out provisions in relation to Northern Ireland departments, namely that exercisable powers under the Bill are limited to:

- contracting authorities that are transferred Northern Ireland authorities;
- public undertakings or private utilities that are not transferred Northern Ireland authorities, but for the purposes of the Procurement Act are treated as transferred Northern Ireland authorities; and/or
- the award or management of contracts under a transferred Northern Ireland procurement arrangement.

“Transferred Northern Ireland authorities” (for the purposes of the Procurement Act) are those whose functions are exercisable only in or as regards Northern Ireland and are wholly or mainly functions that do not relate to reserved or excepted matters within the meaning given in the Northern Ireland Act 1998.

### Cross-border procurement

Clause 101 (Minister of the Crown: restrictions on the exercise of powers) and Clause 103 (Powers relating to procurement arrangements) navigate the powers exercisable by Westminster in relation to certain cross-border procurements.

Clause 101 limits the powers of a Minister of the Crown in relation to a devolved Welsh authority in that the Minister may only exercise a power under the Bill in relation to:

- the award of contracts under a reserved procurement arrangement or a transferred Northern Ireland procurement arrangement; or
- the management of such contracts.

Clause 103 provides that a Minister of the Crown may make provision to regulate the award and management of contracts by devolved Scottish authorities under:

- reserved procurement arrangements;
- devolved Welsh procurement arrangements; or
- transferred Northern Ireland procurement arrangements.

### Expanding on certain definitions

A “procurement arrangement” under the Bill refers to when a contract is awarded:

- in accordance with a framework (or similar, e.g. as defined in the current Scottish regime that will not be changing or aligning with the Bill);
- in accordance with a dynamic market (or similar);
- to a centralised procurement authority; or
- following a procedure or selection carried either jointly by two or more authorities or by a centralised procurement authority (or similar).

Further definitions are provided in order to identify devolved Welsh, transferred Northern Ireland and/or devolved Scottish procurement arrangements (see clause 102 (Definitions relating to procurement arrangements)).

## Part 12: Amendments and repeals

Part 12 sets out various provisions regarding amendments and repeals to the existing legislative landscape.

Of particular note, clause 104 (Disapplication of duty in section 17 of the Local Government Act 1988) introduces the much anticipated ability for a Minister of the Crown to disapply section 17 of the Local Government Act 1988 relating to the exclusion of non-commercial considerations. This is an area of particular interest for local authorities who will want to monitor how this provision develops as the Bill makes its way through Parliament. We note that section 17 has already been disapplied insofar as it applies to the termination of Russian contracts and prevention of Russian companies being included in procurement processes in light of the current war in Ukraine pursuant to the Local Government (Exclusion of Non-commercial Considerations) (England) Order 2022.

The provision sets a path for the government to legislate to remove the prohibition on taking non-commercial considerations into account, and, in the event that such regulations are made, local authorities can expect to be able to avail themselves of the ability to reserve below-threshold contracts by supplier location (as provided for in PPN 11/20: Reserving below threshold procurements).

Clause 107 (Repeals etc) and Schedule 11 (Repeals and revocations) of the Bill will repeal various enactments relating to public procurement, including the existing secondary legislation governing the procurement regime (including the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016, the Utilities Contracts Regulations 2016 and the Defence and Security Public Contracts Regulations 2011).

Schedule 11 also repeals the following primary legislation:

- Paragraphs 9(9)(d) and 11(6)(b)(ix) of Schedule 7B to the Government of Wales Act 2006 (relating to proposed amendments under the Trade (Australia and New Zealand) Bill regarding no requirement for consent to Senedd Cymru);
- Sections 39 and 40 of the Small Business, Enterprise and Employment Act 2015 (dealing with the existing Public Procurement Review Service); and
- An Act of Parliament resulting from the Trade (Australia and New Zealand) Bill that was introduced into the House of Commons on 11 May 2022.

Finally, Schedule 11 also repeals various Decisions of the European Commission relating to utilities procurement that are currently retained EU law (for example, the Commission decision that Article 30(1) of the 2004 Directive coordinating procurement procedures of entities operating in the waste, energy, transport and postal services sectors applies to electricity generation in England, Scotland and Wales), as well as Commission Implementing Decision (EU) 2017/1870 implementing a common European standard on electronic invoicing.



## Part 13: General

Part 13 introduces several general provisions about the application and interpretation of the Bill.

Clause 108 (Power to disapply this Act in relation to procurement by NHS in England) provides a power for a Minister of the Crown to disapply by regulations any provision set out in the Bill which relates to any procurement which is covered by supplier selection rules that may be brought into force pursuant to section 12ZB of the National Health Service Act 2006 (as amended by the Health and Care Act 2022). Clause 108 has proved unpopular in the first stages of the Bill's passage through Parliament with it being noted in the Second Reading in the House of Lords that the NHS should be exposed to more competitive procurement, and that this is a missed opportunity to align NHS procurement with wider public sector procurement.

Clause 110 (Regulations) sets out the procedure to be adopted in implementing any further regulations as provided for under the Bill, and sets out which regulations will be subject to the affirmative procedure and which shall be subject to the negative procedure. A statutory instrument laid under the negative procedure becomes law on the day the Minister signs it and automatically remains law unless a motion to reject that statutory instrument is agreed by either House within 40 sitting days. The affirmative procedure is subject to increased scrutiny in comparison to the negative procedure, as a statutory instrument laid under the affirmative procedure must be actively approved by both house of Parliament.

Clauses 111 (Interpretation) and 112 (Index of defined expressions) are interpretive aids, and set out various defined expressions in the Bill, as well as an index of where other expressions have previously been defined. The index of terms in clause 112 is a particularly helpful tool given the stylistic and linguistic differences between the Bill and the current procurement regimes and will be invaluable in aiding interpretation of the provisions set out in the Bill.





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<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 6</b>
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Executive Director of Resources and s.151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	Tel. 384 557

<b>CORPORATE RISK REGISTER</b>
--------------------------------

<b>RECOMMENDATIONS</b>	
<b>FROM :</b> Steve Crabtree, Chief Internal Auditor	<b>Deadline date :</b> N / A
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Consider the information provided in this report and determine whether any further action is needed in respect of the identified risks.</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee as a scheduled report on risks across the Council. It is set out within the agreed Work Programme.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The Terms of Reference for the Audit Committee (agreed at Full Council) set out the key roles of the Committee including the following

2.2.1.18: To monitor the effective development and operation of risk management and corporate governance in the Council.

2.2 The purpose of this report is to present to Members details of the current risks being managed across the Council as set out within the risk registers. It enables Audit Committee to monitor the effective development and operation of risk management together with considering compliance with the agreed framework.

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet	-
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**4. BACKGROUND AND KEY ISSUES**

- 4.1 To support the Committee's responsibility in relation to Risk Management, the Committee receive and agree the Risk Management Policy and also updates on the risks impacting on the Council. These key risks are monitored on a monthly basis through the Corporate Leadership Team (CLT) and bi-monthly through the Risk Management Board (RMB).
- 4.2 Audit Committee holds CLT accountable for the effective management of risks and monitors these arrangements through regular reports. The Council's risk management arrangements are reflected in the previously agreed policy. The latest risk update was discussed at CLT and RMB in August 2022 (set out in **Appendix A**) and confirmed ongoing focus on a range of key risks with the highest risk areas being agreed as:

- Financial sustainability; and
- Financial resilience

While there are various controls and mitigating plans in place to deliver sustainability via the proposals adopted in the Improvement Plan, this is somewhat offset by the emergence of new risks in the period 'post' pandemic, in the main caused by global and UK economic pressures, the cost-of-living crisis, inflation and price rises and the effects of the war in Ukraine.

## **5. CONSULTATION**

- 5.1 This report has been issued to the Corporate Director of Resources for consideration.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 That the Audit Committee is informed of the proactive measures taken across the Council to reduce the impact of risks.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 To enable the Audit Committee to continue to monitor the Council's approach to risk management and its implementation.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 None necessary. Having robust risk management processes in place is a requirement of the Council. The corporate risk register has been developed in line with the framework.

## **9. IMPLICATIONS**

### **9.1 Financial Implications**

The risk management arrangements set out in this report help the council to target and prioritise resources to help reduce costs, deliver savings and achieve value for money. Should any of the corporate risks arise, there would be financial and staffing resource implications to deal with the risk.

### **9.2 Legal implications**

The council's risk management arrangements support the authority's compliance with the statutory requirement under the Accounts and Audit Regulations 10115 to have "a sound system of internal control which facilitates the effective exercise of that body's functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and which includes arrangements for the management of risk".

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

None

**11. APPENDICES**

Appendix A: Risk Register as at August 2022

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## **Corporate Risk Register**

**By (key) department as at 12 August 2022.**

- **Business Improvement and Development**
- **Customer and Digital**
- **Human Resources**
- **People and Communities**
- **Place and Economy**
- **Public Health**
- **Resources**

# BUSINESS IMPROVEMENT AND DEVELOPMENT

			01, 02	

BID01	Risk of additional cost pressures
BID02	Shared partnership working inequalities



## CUSTOMER AND DIGITAL

				<b>07</b>
			01, 05	08, 09
	04		03	10
				02

CAD01	PCC financial savings
CAD02	Disaster recovery
CAD03	Data loss
CAD04	Malware attack
CAD05	Phishing attack
CAD06	Business continuity
CAD07	Communications service
CAD08	IT delivery capacity
CAD09	IT restructure
CAD10	Ransomware

# HUMAN RESOURCES

			01	
		02	05	
			03	
			04	

HR01	Apprenticeships
HR02	HR IT System
HR03	Employee Well Being
HR04	People Strategy
HR05	HR Team Resourcing

# PEOPLE AND COMMUNITIES

		01, 10		
		03	02, 06, 09, 12, 14, 15, 17, 19	18
			04, 08, 11, 13, 16, 20	05, 07

PAC01	Education and Social Care Transport
PAC02	Service Capacity
PAC03	Cultural and Leisure Service provision
PAC04	Safeguarding failure – vulnerable adults
PAC05	Safeguarding failure – children and young adults
PAC06	Failure to respond to legislation (adults)
PAC07	Failure to respond to legislation (education)
PAC08	Failure to work within legislation
PAC09	PAC Financial Pressures
PAC10	Covid surge (adults)
PAC11	Health partnerships and finances
PAC12	Staffing levels (absence / leaving)
PAC13	Increase in children in care
PAC14	Unaffordable childcare placements
PAC15	Care system integration
PAC16	MH Provision
PAC17	Inability to recruit qualified staff
PAC18	Demand on Early Years
PAC19	Service reduction impacts
PAC20	Day Care viability

## PLACE AND ECONOMY

		01, 02, 04, 05, 07, 10, 13, 14	03, 09, 12, 16, 18, 20	17
			06, 08, 19	
			11, 15	

PLA01	Climate change
PLA02	Tree / Pest Damage
PLA03	Affordable Homes
PLA04	Delivery of Towns Fund projects
PLA05	Coroner Services demand
PLA06	ERF Energy Plant performance
PLA07	University
PLA08	Partnership BAU
PLA09	Failure of CX Project
PLA10	Staff Resources
PLA11	Cost reduction failure
PLA12	Income targets not met
PLA13	Fail on Growth Agenda
PLA14	Increase in Temporary Accommodation
PLA15	Increased Crime and Anti Social Behaviour
PLA16	Increased homelessness
PLA17	Nortminster residential
PLA18	Rough sleepers
PLA19	St Michaels Gate Decant
PLA20	Ukraine Refuges

# PUBLIC HEALTH

			01	

PH01	Insufficient PH Grants
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# RESOURCES

				01, 02
			03	

RES01	Financial sustainability
RES02	Financial resilience
RES03	Increase in borrowing rates

<b>AUDIT COMMITTEE</b>	AGENDA ITEM No. 7
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Executive Director of Resources and s.151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Emma Riding, Budget Planning and Reporting Manager	Tel. 07790944655

<b>RESERVES STRATEGY &amp; POLICY</b>
---------------------------------------

<b>R E C O M M E N D A T I O N S</b>	
<b>FROM :</b> Cecilie Booth, Executive Director of Resources and s.151 Officer	<b>Deadline date :</b> N / A
It is recommended that Audit Committee:	
1. Consider and notes the Councils Reserves Strategy and Policy provided in Appendix A to this report	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee to provide an overview of the Councils Reserves Strategy and Policy

**2. PURPOSE AND REASON FOR REPORT**

2.1 The report is for the Audit Committee to consider under its Terms of Reference (agreed at Full Council) at 2.2.2.14

- To review any issue referred to it by the Chief Executive or a Director, or any Council body.

2.2 The purpose of this report is to provide an overview to members of the Councils Reserves Strategy and Policy

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet	-
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**4. BACKGROUND**

4.1 The Local Government Finance Act requires the Council to consider the level of reserves when setting a budget requirement., with the Section 25 of the Local Government Act 2003 requiring

the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. This is completed at the Council through the Robustness Statement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.

CIPFA issued [Local Authority Accounting Panel \(LAAP\) Bulletin No.99](#), Guidance Note on Local Authority Reserves and Balances in July 2014. Compliance with the guidance is recommended in CIPFA’s Statement on the Role of the Chief Financial Officer in Local Government.

In response to the above requirements, the reserves strategy and policy outlined in Appendix A sets-out the Council’s approach for compliance with the statutory regime and relevant non-statutory guidance for the Council’s cash backed usable reserves.

The following table summarises the usable reserves which includes the general fund balance and earmarked reserves:

As per June 2022 Budgetary Control Report	Bal at 31 <sup>st</sup> March 22	Est bal at 31 March 23
	£000	£000
General Fund	7,300	7,300
Usable Reserves (Innovation and Departmental)	30,004	22,595
Budget and Inflation Risk Reserves	6,693	6,693
Local Tax Income Risk Reserve	12,307	7,636
Ring-Fenced Reserves	4,183	3,899
<b>Total Earmarked and General Fund Balance</b>	<b>60,488</b>	<b>48,124</b>

The Strategy has regard for the recommendation of The Chartered Institute of Public Finance and Accountancy (CIPFA), that the following factors should be taken into account when considering the level of reserves and balances:

1. Assumptions regarding inflation and interest rates
2. Estimates of the level and timing of capital receipts
3. The capacity to manage in-year demand led pressures
4. Ability to activate contingency plans if planned savings cannot be delivered
5. Risks inherent in any new partnerships
6. Financial standing of the authority (level of borrowing, debt outstanding etc.)
7. The authority’s record of budget management and ability to manage in year budget pressures
8. Virement and year-end procedures in relation to under and overspends
9. The general financial climate
10. The adequacy of insurance arrangements

With the strategy including planned steps on how the Council intends to ensure its reserves balances are resilient and sufficient enough to mitigate the Councils financial position against emerging risks.

As noted in the first paragraph the adequacy of reserves levels are reported within the robustness statement as part of budget setting report, at the same time the Reserves Strategy and Policy will undergo an annual review.

## 5. CONSULTATION

5.1 None required at this stage.

## 6. ANTICIPATED OUTCOMES OR IMPACT

6.1 That the Audit Committee is informed of the Council Approach to budget setting.



**7. REASON FOR THE RECOMMENDATION**

7.1 None required- item for information.

**8. ALTERNATIVE OPTIONS CONSIDERED**

8.1 None required- item for information.

**9. IMPLICATIONS**

**9.1 Financial Implications**

No Financial Implications as a result of this report- item for information.

**9.2 Legal implications**

No legal implications as a result of this report- item for information.

**10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

None

**11. APPENDICES**

Appendix A: Reserves- Strategy and Policy

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## Reserves Strategy & Policy

### 1. Background and Context

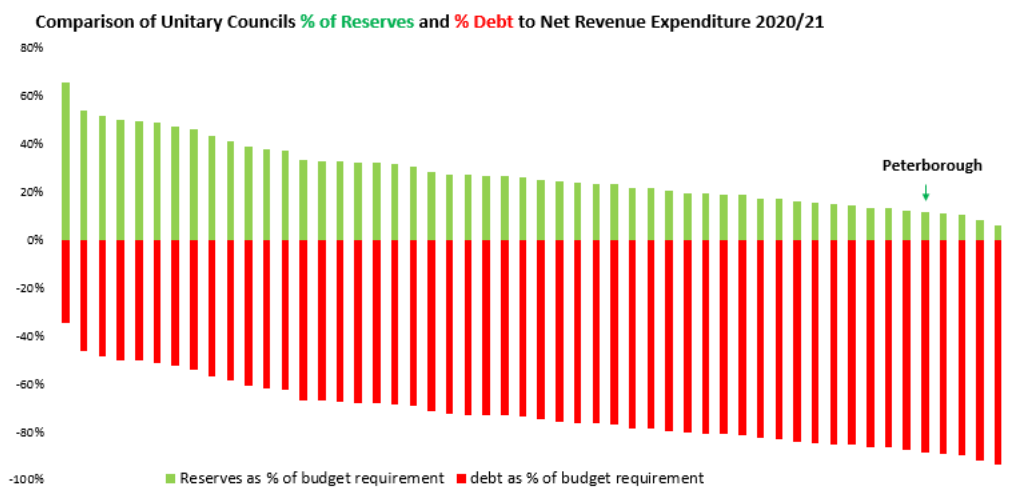
- 1.1. Sections 32 and 43 of the Local Government Finance Act 1992 require councils to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. This is completed at the Council through the Robustness Statement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.
- 1.2. CIPFA issued [Local Authority Accounting Panel \(LAAP\) Bulletin No.99](#), Guidance Note on Local Authority Reserves and Balances in July 2014. Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government. In response to the above requirements, this strategy sets-out the Council's approach for compliance with the statutory regime and relevant non-statutory guidance for the Council's cash backed usable reserves.
- 1.3. All reserves will be categorised as per the Local Authority Accounting Practice guidance, into appropriate groupings.
- 1.4. Within the Statement of Accounts for General Fund Earmarked Reserves, all individual reserves are reported and will include a description of the purpose of the reserve.
- 1.5. Earmarked reserves will be reviewed regularly as part of the in year monitoring process and annually as part of the budget setting process, to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released in full or in part or require topping up based on known/expected calls upon them. Particular attention will be paid in the annual review to those reserves whose balances have not moved over a two-year period, other than the General Fund, for further detail see Section 4 Management and governance.

### 2. Overview

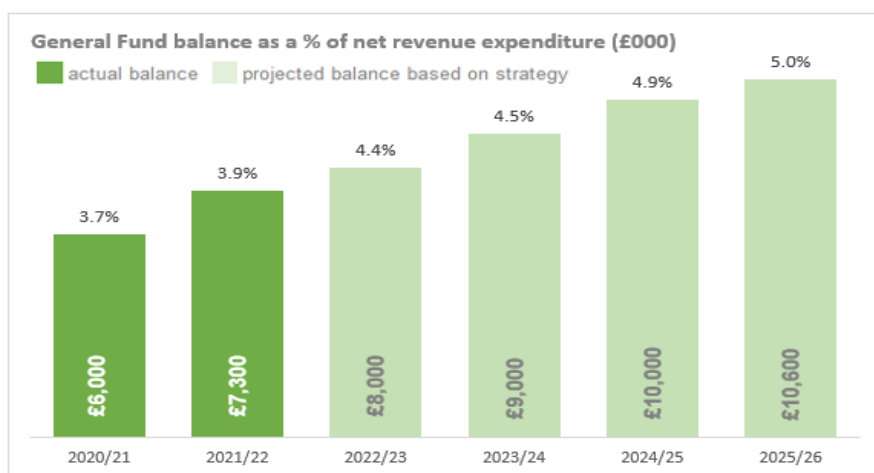
- 2.1. The Council will maintain:
  - a general fund reserve
  - a number of earmarked reserves
- 2.2. The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer. Due to the fragile state of PCC finances, the S151 Officer is recommending an increase in the General Reserve over the next three years.
- 2.3. The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend that the following factors should be taken into account when considering the level of reserves and balances:
  1. Assumptions regarding inflation and interest rates
  2. Estimates of the level and timing of capital receipts
  3. The capacity to manage in-year demand led pressures
  4. Ability to activate contingency plans if planned savings cannot be delivered
  5. Risks inherent in any new partnerships
  6. Financial standing of the authority (level of borrowing, debt outstanding etc.)

7. The authority's record of budget management and ability to manage in year budget pressures
8. Virement and year-end procedures in relation to under and overspends
9. The general financial climate
10. The adequacy of insurance arrangements

2.4. Each Council must make their own decisions about the level of reserves they hold, taking into account all of the issues referred to above. As at 31 March 2021, which is the latest set of meaningful data comparisons, Peterborough is ranked 44 out of 52 Unitary Councils in terms of the percentage of reserves held as a proportion of their budget. The range of reserves held as a percentage of budget is wide; the lowest authority at 24%, up to the highest at 161%. Peterborough's figure is 32%. It is also worth looking at reserves alongside borrowing, as borrowing can be used to protect reserves, or reserves used to reduce borrowing. Unfortunately, Peterborough holds a high level of borrowing and therefore that 'trade -off' is not an option. The data referred to is captured in the chart below:



- 2.5. The level of the general fund reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. It will also take account of the extent to which specific risks are supported through earmarked reserves. A risk assessment of the General Fund will be made each year as part of the Robustness Statement and will consider the budget assumptions outlined in point 2.3.
- 2.6. The level will be expressed as a cash sum over the period of the medium-term financial strategy (MTFS). The level will also be expressed as a percentage of the general funding requirement (to provide an indication of financial context). The Council's aim is to hold, as a minimum general reserve equivalent to 5% of the Councils Net Revenue Expenditure, by no later than 1 April 2025.
- 2.7. At 1 April 2022 the Council holds £7.3m in General Fund. The forecast profile of achieving the target balance is set out in the following points, with the chart outlining the profile on the General Fund and estimated % against the net revenue expenditure:
  - 2022/23 forecast contribution £0.7m
  - 2023/24 forecast contribution £1.0m
  - 2024/25 forecast contribution £1.0m



2.8. This will be reviewed annually in February as part of the budget setting process.

### 3. Strategic context

3.1. The Council continues to face a shortfall in funding compared to expenditure demands and must annually review its priorities in order to address the shortfall. The current MTFS has some highly challenging saving targets, and in order to become financially sustainability further challenging and transformational change will be required over the medium to long term.

3.2. In order to achieve Financial Sustainability, the Council will need to invest in a range of innovative and transformational activities in order to reduce future costs of service delivery. An Innovation delivery Fund was created as part of the 2021/22 Outturn process to fund such activity. In the 2023/24 budget and beyond the balance on the innovation will be maintained in the region of £10-£15m, which will be drawn-down on the basis of business cases that either pay back the contribution, or result in significant service improvements or significantly reduced costs compared to the 'do-nothing' option. Innovation and transformation needs to be a constant and therefore any opportunity to replenish this reserve should be considered as part of each year's annual budget setting process, and any outturn opportunities offered by any underspends. As such, once the General Fund target is achieved, any additional funds through underspends should be placed in the Innovation Deliver Fund unless exceptional circumstances require alternative use.

3.3. The Council is in receipt of interest earned through investments of our cash balances to support its general spending plans, and is avoiding interest payments on borrowing by effectively internalising that borrowing requirement by use of cash balances, including sums held in reserves and general positive cash flows. Therefore the balances held in reserves will help reduce on-going revenue costs.

3.4. Reserves are **one-off money**. The Council will avoid using reserves to meet ongoing financial commitments other than as part of a sustainable budget plan and one of the Council's financial principles is to stop the use of one-off funding to support the base budget ie this reserves strategy will prevent reserves being applied merely to balance the budget.

### 4. Management and governance

4.1. For each earmarked reserve held there will be a clear protocol setting out:

- The reason for/purpose of the reserve

- How and when the reserve can be used
  - Procedures for the reserve's management and control
  - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.
- 4.2. All protocols should have an end date and at that point any balance will be transferred to the general reserve. If there is a genuine reason for slippage then the protocol will need to be updated. A questionnaire will be completed by the relevant budget holder and reviewed by Finance to ensure all reserves comply with legislative and accounting requirements .
- 4.3. Reserves protocols must be sent to Corporate Finance for review and will be approved by the S151 Officer, the Corporate Leadership Team (CLT), and by the Cabinet Member for Finance . Protocols should clearly identify contributions to and drawdowns from reserves across the lifetime of this MTFS, and these will be built into the Annual Budget. Ongoing recurring costs should not be funded from reserves, unless part of a smoothing reserve and approved as part of the MTFS. The short-term use of reserves may be agreed to provide time to plan for a sustainable funding solution in the following financial year. Decisions on the use of reserves may be delayed until financial year-end and will be dependent on the overall financial position of the Council rather than the position of just one budget area .
- 4.4. All earmarked reserves will be reviewed as part of the monitoring process, the budget preparation, financial management and closing of accounts processes . Cabinet will be presented with the monitoring of reserves on a regular basis and in the outturn report and the Council will consider a report from the S151 Officer on the adequacy of the level of reserves in the annual budget-setting process.
- 4.5. The following rules apply:
- Any in-year use of the General Reserve will need to be approved by Cabinet and any planned use will be part of the budget setting process.
  - In considering the use of reserves, there will be no, or immaterial, impairment to the Council's financial resilience unless there is simply no alternative .
- 4.6. The Council will review the Reserves Strategy and Policy on an annual basis through Audit Committee.

## **5. General Fund and Useable Reserves**

- 5.1. The General Fund Balance is the statutory fund into which all the receipts of the Council are required to be paid in, and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. The General Fund Balance summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.
- 5.2. Earmarked reserves are amounts set aside from the General Fund Balance to provide financing for future expenditure plans, see Appendix One.
- 5.3. Usable Reserves are those reserves that can be applied to fund expenditure or reduce local taxation, however the Council is restricted in the use of these as the schools balances are held by schools and can only be spent by schools. The Capital Grants Unapplied Account can only be used to finance the Capital Programme and the General Fund is used by the Council to maintain a prudent level of reserves.

5.4. In summary:

General Fund	Earmarked Reserves
<ul style="list-style-type: none"><li>• A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing</li><li>• As a contingency to cushion the impact of unexpected events, major incidents or emerging risks (covered in more detail in appendix one)</li></ul>	<ul style="list-style-type: none"><li>• Monies set aside for future events or liabilities</li></ul>

**6. Unusable Reserves**

6.1. Unusable Reserves are those reserves that absorb the timing differences arising from different accounting arrangements. Details of all other reserves and balances including information regarding purpose, how and when to use and possible release to revenue budget is set out in Appendix Two.

## Appendix One – General Fund & Usable Reserves

The Council holds a number of usable reserves, and these are listed below.

Reserve / Balance	Description
General Fund Balance	<p>This Fund is the statutory fund into which all the receipts of the Council are required to be paid in, and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. This reserve ultimately smooths the financial impact of unexpected events, major incidents or emerging risks, including:</p> <ul style="list-style-type: none"> <li>• Risks which exceed the other specific risk reserves (budget, inflation and local taxation reserves)</li> <li>• The capacity to manage in-year budget pressures in relation to demand led service delivery</li> <li>• The general financial climate and the impact the cost of living crisis or a recession may have on the council including: <ul style="list-style-type: none"> <li>○ Rising demand for Services</li> <li>○ A reduction in income generation</li> <li>○ Impact on Commercial and Property activities</li> <li>○ Exposure to rising Inflation and interest rates</li> <li>○ Ability to generate planned Capital receipts</li> </ul> </li> <li>• Financial risks arising as a result of new government legislation or new burdens</li> </ul>
School's Balances	As per the above explanation but in the School setting context.
Capital Receipts Reserve	This Reserve holds the proceeds from the disposal of land or other assets and repayment of loans and continues to be restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure.
Capital Grants Unapplied Account	This Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is not restricted by grant terms as to the capital expenditure against which it can be applied and / or the financial year in which this can take place.

### Earmarked Reserves

Reserve / Balance	Description
Departmental Reserves	These have been identified by Cabinet or Corporate Management Team and are incorporated within the Medium Term Financial Strategy for Departmental use.
Insurance	To provide for future claims (self-insurance). A number of risks, contingencies and financial losses are covered by the Council's Insurance Reserve. In general terms the Council self-insures against the risks of theft, subsidence and accidental damage to property. Additionally, the excess on external insurance arrangements, which range from £2,500 to £50,000 per loss, are also met by the Reserve.
Schools Capital	School revenue reserves put aside for funding future school capital schemes.
Innovation Fund Reserves	The balance of the sums set aside which can be utilised to fund one-off type expenditure such as to fund service transformation which will improve the longer term financial position of the Council as contained in the MTFS.



Public Health	The Public Health Grant received by the Council is ring-fenced for use on public health services only. This reserve is for any amounts of grant not spent in year due to timing difference in service delivery.
Local Tax Income Risk Reserve	To compensate the Council for the additional cost of providing the extended Business Rates retail and nursery relief. This reserve is funded by Section 31 grants and Tax Income Guarantee scheme.
Budget Risk Reserve	This reserve formed part of the 2022/23 Tactical Budget to mitigate some of the risks and issues with the very high and high risk on the deliverability of the savings contained within the budget.
Inflation Risk Reserve	This reserve is to mitigate some of the financial risk resulting from rising rates of inflation in the 2022/23 financial year.
Other	These include the Lease Consolidation, Hackney Carriage Accounts, and Parish Burial Reserves.

## Appendix Two – Unusable Reserves

The Council holds a number of unusable reserves which absorb the difference between the statutory arrangements for funding expenditure and accounting for the expenditure in line with regulations and proper accounting practice. Unusable reserves cannot be used to fund expenditure eg cannot fund revenue spend on services or capital spend on projects.

Reserve / Balance	Description
Revaluation Reserve	This reserve contains the net gains made from increases in the value of the Council's assets (Property, Plant, Equipment and Intangible Assets) not yet realised through sales. The gain will only be realised and shown as income in the Council's accounts following sale of the asset.
Capital Adjustment Account	A store of capital resources from Revenue, Capital Receipts and the provision for the payment of debt set aside to meet past expenditure.
Deferred Capital Receipts	Deferred Capital Receipts are amounts that are to be received in instalments over an agreed period of time. They arise from mortgages on the sale of Council Houses, or repayment terms from other asset sales. These can only be used for financing new capital expenditure when the actual receipt is received. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.
Financial Instrument Adjustment Account	This Account is held in accordance with the Code of Practice to write down over time the premiums paid on early debt repayment in order to spread the burden on Council Tax. This is a technical adjustment and has no impact on the overall financial position of the Council.
Pension Reserve	In line with International Accounting Standard 19 (IAS 19) Employee Benefits the Council's commitment to make future payments must be disclosed in the accounts at the time the employees earn their future entitlement to the benefits. The Pension liability balance reported in the balance sheet matches off exactly to the deficit balance held in the Pensions Reserve.
Collection Fund Adjustment Account	This adjustment account allows for differences between income included in the Income and Expenditure account and the amount required by regulation to be credited to the General Fund. The balance on the account deficit / surplus represents the Council's share of the Collection Fund deficit / surplus.
Accumulating Compensated Absences Adjustment Account	This account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 8</b>
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Chief Executive, Matt Gladstone	
Cabinet Member(s) responsible:	Cllr Wayne Fitzgerald, Leader of the Council	
Contact Officer(s):	Jens Gemmel von Döllinger, Sustainable Future City Council Director	Tel.

## INDEPENDENT IMPROVEMENT AND ASSURANCE PANEL REPORT

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> <i>Chief Executive</i>	<b>Deadline date:</b> N/A
It is recommended that the Audit Committee:	
<ol style="list-style-type: none"> <li>1. Reviews the first report of the Independent Improvement and Assurance Panel and agrees with the actions and progress being made with the delivery of the Improvement Plan.</li> </ol>	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to the Audit Committee following Full Council on 22 June 2022 and Cabinet on 11 July 2022.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 Improvement Panel Comments:  
The Council established the Peterborough City Council Independent Improvement and Assurance Panel (PCCIAP) on 16 December 2021 and updated the terms of reference of the panel to report to the Council on a six monthly basis. This report provides the Panel's first six monthly review of the work of the Council against the previously agreed Improvement Plan and the recommendations of the independent reports commissioned by the Department of Levelling Up, Housing and Communities.

#### PCC Response:

We accept and welcome the Improvement Panel's findings and will implement it's recommendations in full. We will continue to use the panel as a sounding board for matters related to the future sustainability of our city and its administration.

- 2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.2.14  
To review any issue referred to it by the Chief Executive or a Director, or any Council body.

### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	
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### **3.1 BACKGROUND AND KEY ISSUES**

#### **3.1.1 Improvement Panel Comments:**

On the 30th June 2021, the DLUHC announced an external assurance review of the Council's financial position and its wider governance arrangements. Government decisions on further exceptional financial support, and on any statutory interventions that might be necessary, would be informed by those reviews. The financial review was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the governance review was undertaken by Andrew Flockhart. The governance review reported in September 2021, and CIPFA reported on the finance review in November 2021. Both reviews set out detailed findings, including conclusions, evidence and methodology used, and included recommendations for the future. Importantly, the governance review recommended non-statutory action. The Minister of State for Equalities and Levelling up Communities then wrote to the Council when the reports were published saying that, although she still had concerns, she agreed with the findings and that with the right support the Council should be able to respond to the challenges it faced.

#### **3.1.2 Improvement Panel Comments:**

The PCC IAP operates in the context of the statutory intervention framework of powers given to the Secretary of State in the Local Government Act 1999. The independent panel is at the lowest level of external intervention, it does not take any decision making away from the Council. The threat of some level of statutory intervention remains if there is any faltering in implementation of the improvement plan recommendations. Council officers and members of the Panel meet monthly with DLUHC officials to discuss the City Councils progress.

### **3.2 INDEPENDENT IMPROVEMENT AND ASSURANCE PANEL**

#### **3.2.1 Improvement Panel Comments:**

The purpose of the Panel as approved by Council is to:

- Provide external advice, challenge and expertise to Peterborough City Council in driving forward the development and delivery of their Improvement Plan;
- Provide assurance to the Secretary of State of Peterborough City Council's progress on delivery of their Improvement Plan;
- Provide six monthly reports to the Council on the progress of the delivery of the Improvement Plan.

#### **3.2.2 Improvement Panel Comments:**

The Improvement Plan approved at Council on 21st December 2021 is a critical document, as the Panel will be holding the Council to account on the delivery of this plan, and on the extent to which the plan is meeting the recommendations, actions and outcomes envisaged in the finance and governance review reports.

#### **3.2.3 Improvement Panel Comments:**

The Council's Improvement Plan has three Improvement Themes as follows: -

- "Theme 1: Financial Sustainability. The recovery and improvement of Peterborough relies on us setting a balanced budget in 2022/23, delivering on our savings and transformation plans, delivering sharper focus on collective and individual fiscal responsibility and accountability ensuring that we deliver on our priorities. This will mean taking bold decisions to turn off the things that are no longer "core/can't afford" as we constantly challenge ourselves on how we spend every penny of the Council's money.
- Theme 2: Service Reviews. The Council has initiated a series of service deep dives starting in Adult's and Children's Services and Housing, we will continue this programme of review into mid-2023. The reviews will generate options and recommendations for doing things differently. We will manage these reviews using an agile approach so that we can agree and deliver changes as new opportunities and alternative ways of working present themselves. The Council has to have the ability to make change happen more rapidly.

- Theme 3: Governance and Culture: This section describes how we will manage the Improvement Plan with the support of the Improvement Panel and associated partners. We will refresh our Corporate Strategy and key policies. We will adopt stronger fiscal delivery disciplines where personal accountability will be at the heart of our new ethos. We will change the organisation if we are clear on what has to change, by when and to what standard.”

The IAP operates as a collective body, bringing all of the expertise of the Panel to the challenges facing the Council. Four of the panel members lead on individual areas that are intertwined across the three themes of the Improvement Plan. This report covers those four lead areas of Finance/ Transformation/ Assets, Contracts and Companies/ Governance and provides the Panels view on the progress in the last six months. The latest position on the Improvement plan is attached at Appendix A.

#### **4. CURRENT PCC IAP VIEW ON THE CITY COUNCIL’S IMPROVEMENT PLAN PROGRESS**

##### **4.1 Financial Sustainability**

###### Improvement Panel Comments:

There has been good cooperation from council staff with the Panel's Finance lead since the panel was appointed in December 2021. There has been regular contact and the Senior Finance staff have sought and taken on board advice, comment and challenge on the Finance proposals and their draft reports.

##### **4.1.1 CIPFA Recommendations**

###### Improvement Panel Comments:

The CIPFA report to the Council in November 2021 contained a number of recommendations on which the Council had to implement immediate action. These have been substantially completed or have been overtaken by events. The CIPFA recommendations were by definition short term and the Council now needs to focus on medium and long term issues in terms of service delivery remodelling and operating models to attain long term financial stability. The full set of recommendations, together with an up to date officer commentary, is attached at Appendix B.

##### **4.1.2 2021/2022 Outturn and 2022/2023 Budget**

###### Improvement Panel Comments:

As a first step the Council has approved a balanced budget for 2022/23 without the need for a capitalisation direction in either 2021/22 or 2022/23. The initial indications on the 2021/22 outturn position will be a revenue underspend of circa £4 million which will improve the Council's reserves position. The delivery of a balanced budget in 2022/23 is dependent upon the delivery of the agreed savings plan. As at mid-May £ 7.972 million out of £16.673 million has been delivered, leaving £8.701 million to be implemented of which £0.83 million is regarded as unlikely to be achieved. A further £3.92 million is regarded as at high risk and the procurement related savings are particularly at risk. There is therefore a high level of risk and uncertainty in the achievement of the agreed savings plan with some 28% of identified savings proposals being identified as at least high risk.

###### PCC Response:

In the current financial year, we had to close a budget gap of £27m to set a balanced budget, which we were able to achieve, largely thanks to our staff's hard work and support. Much hard work remains to be able to deliver all those savings in the current year.

Looking to future years, in 2023/24 we were predicting a budget gap of around £5m, however our current modelling shows that gap has now widened to £9.5m, largely down to rapidly rising rates of inflation.

This information has become public, as part of a report submitted to the Joint Scrutiny Committee on 5 July. You can read the agenda [here](#) (Agenda item 4).

In 2024/25 this budget gap is estimated to rise to £12.9m, and then to £15.1m in 2025/26. To be able to make these predictions our finance team has conducted sensitivity analysis and made a number of assumptions, including rising inflation, which currently stands at 9%— the highest it's been in 40 years, increasing demand for services, a 3% pay award for staff and risk in delivering previously agreed savings.

This modelling allows us to plan so that we can work well in advance to reduce budget gaps in future years and links with what we said we would do in the Improvement Plan with the development of the Target Operating Model. Through this strategic planning, allocation of money will focus on outcomes rather than where resources sit in the organisation.

We ended the last financial year with a £4.5m underspend which has enabled the council to increase its general reserve balance by £1.3m to £7.3m, a positive step as it increases the amount of money we have for unforeseen events and helps strengthen our financial resilience – one of the issues CIPFA identified as a weakness.

An additional £3.2m has also been added to an inflation reserve which now stands at £4.7m, established to mitigate the financial risk resulting from rising rates of inflation. However, these reserves are one-off funds and can help in the short-term, but ultimately, we should be better managing our increasing pressures, so we don't need to use reserves.

#### 4.1.3 **Savings Board**

##### Improvement Panel Comments:

The Council has set up a Savings Board to monitor the delivery of the savings and to provide a level of challenge where delivery is either delayed or doubtful. This internal challenge needs to be extremely robust as the non-delivery of savings will place in doubt the Council's ability to achieve its objective of being financially stable from 2024. As a direct result of the level of uncertainty, the Council must consider alternative plans to find cashable savings where delivery of the original proposals is in doubt. Officers have started the process of identifying suitable substitute or alternate actions.

##### PCC Response:

We are driving forward savings proposals in the current year and developing plans to meet the £9.5m forecast budget gap in 2023/24 rising to £15.1m by 2025/26. This will require input from all levels of the organisation. Over the summer months, we will further tighten the governance and reporting for our savings programme and will bring back an update on progress to cabinet in due course.

- Funding remains flat as per SR2022, with increases in Council Tax and NNDR built in to forecast
- Risk on the delivery of 2022/23 savings plans- £4.4m
- Inflation pressures of 10% by end of 2022 have been built into forecast, driving up costs (£4.7m inflation risk reserve also available to mitigate immediate exposure)
- Cost of Debt financing equates to 16% of NRE with interest rates expecting to rise.
- Demand led budgets. ASC & CSC represent 56% of NRE
- Therefore, a total of 72%\_of our NRE is tied up in demand led services and debt costs.
- Further risks exist as a result of the Social Care Reforms & Fair Cost of Care

#### 4.1.4 **Revenue Controls**

##### Improvement Panel Comments:

The Council has maintained a high level of control on revenue expenditure, these controls will be required to be continued for the foreseeable future to enable non-essential spending to be identified (and further curtailed if necessary) and to enable a culture of budget responsibility to take root and grow within the Council.

#### 4.1.5 **Medium Term Financial Strategy**

##### Improvement Panel Comments:

The Council is in the early stages of preparing a medium-term financial strategy (MTFS), which will include a number of key dates by which specific stages of the budget process will need to be completed. It is extremely important that this timetable is adhered to. The MTFS will require significant input from service heads across the whole Council and will require a view to be taken on the likely level of savings that can be achieved over the medium term in respect of service redesign. In common with all other Local Authorities, the Council faces a particular difficulty in establishing that view as at present it is difficult to predict with any degree of accuracy the likely budget gap for future years - due to uncertainty over inflation, the level of government support for 2023/2024 and the likely referendum limit for council tax for that year. In the absence of certainty, the Council will need to plan on a range of scenarios and produce corresponding proposals accordingly.

##### PCC Response:

A Programme Director (Sustainable Future City Council Director) has joined the Council to lead on the design, mobilisation and implementation of a number of transformation programmes and which will be structured around our emerging priorities and themes.

The Council is aware that due to its challenging financial circumstances, it needs to find a balance between delivering short, medium and long-term budget options to ensure the current year and 2023/24 is balanced. In addition to delivering a Medium-Term Financial Strategy (MTFS), work has already commenced on the MTFS and the development of budget savings to ensure the Council remains within its financial envelope. The detailed design phase of our transformation programmes will start in September 2022, the scope of which will include service redesign (operating models) and finalising future service budget requirements.

Outline business cases including programme plans and budgets will be brought back to Cabinet for consultation and decision. The shaping of the Council's MTFS will form the backbone of these plans so that our corporate strategy and proposed changes can be delivered within a reduced financial envelope, over the medium and long term.

#### 4.1.6 **Capital Finance**

##### Improvement Panel Comments:

The financing of the Capital programme has been an area of considerable concern for the Council. The need to service borrowing to fund the Capital programme reduces the Council's ability to spend on day-to-day services. The Council has already decided, for the immediate future, not to fund new capital schemes from borrowing but to use other resources such as grant and capital receipts. This means that difficult decisions will need to be made in prioritising capital project expenditure. The gap between the current capital programme and available non borrowing resources is in the region of £16 million. Schemes will have to be deferred or dropped out of the programme. Until that process is completed and the current funding gap addressed, the present moratorium on all new schemes will need to be maintained.

##### PCC Response:

Following the report published by the Chartered Institute of Public Finance and Accountancy (CIPFA) on behalf of DLUHC into the Council's financial position, a moratorium on Capital spend was implemented in 2021/22, and the revised Capital Strategy was approved to guide the way for revising the Capital Programme in accordance with the key objectives within the Improvement Plan.

Work is progressing on reducing the 2022/23 Capital Programme to ensure that no new borrowing is incurred, and that funding is only through the sales of assets or grant funded. The removal of borrowing in the current year is needed in order to deliver the £0.75m revenue saving that has been included within the budget.

The detailed capital financing modelling is anticipated to be completed over the summer months

and given that the performance of the capital programme was £33m for 2021/22 compared to the budget of £79m a forecast underspend is expected.

## 4.2 Medium to Long Term Transformation

### Improvement Panel Comments:

There has been good contact and interaction with the Panels Transformation lead since the Panel was established, particularly with the Chief Executive.

As indicated in the Appendix to this report, CIPFA have assisted with a number of current service reviews. The Council is, however, also turning its attention to longer term financial and service delivery sustainability. This includes reviewing opportunities to deliver additional income, drive efficiency and in other ways reduce cost by adopting a longer-term transformation perspective. The Panel welcomes this development. Not only does it enable the Council to think creatively about how it may balance its books over the medium term, but it also provides a vehicle for communicating a positive change to the organisation, to partners and the community. This work is in its early stage and it is important that it is encouraged, sustained, nurtured and appropriately governed. The Chief Executive has brought into his team an experienced transformation director who is creating a Council transformation capacity. Their work is starting to build an internal understanding of where opportunities might exist for change and improvement. Early hypotheses being explored include the potential to exploit the commercial opportunities of growth, early intervention and prevention, customer service and wider modernisation and other opportunities for business process improvement. There are clearly close links to the development of the Medium-Term Financial Strategy, the Corporate Strategy and review of contracts. The Panel will help to ensure that these connections continue to be made and exploited. Early indications on both intent and interaction across the Council are positive.

### PCC Response:

We have started to articulate what our response to the City's challenges will need to look like. Our revised corporate strategy is the start of this process and will address a number of challenges the Council faces and the opportunities presented to us by the City (our City Priorities).

We are in the process of building a CEX's delivery unit team to design, test and agree with Cabinet a strategy for leadership, on the design and organisation of Peterborough so that it can deliver the administration's long-term vision for the City and its priority outcomes, a strategy and plan that invests into the City's future while creating the foundations of a sustainable future city council and that will address:

- 1) Challenges and Opportunities - why we believe there are opportunities that can address the challenges we face and what it means in practice to benefit from these opportunities.
- 2) A new model of leadership and service delivery - the changes we need to make inside the Council.
- 3) A new approach to officer governance - how we give Members and wider stakeholders confidence that we will deliver what we say we will deliver.
- 4) Making it happen – a comprehensive set of Business Cases, Org Design Structures and Plans that underpin a timely implementation of our proposals.

Cabinet and the wider member community will get early sight of our plans and we will seek cross-party engagement and support as the details of our proposals and plans develop.

### 4.2.1 **Assets, Contracts and Companies**

#### Improvement Panel Comments:

Although it was originally envisaged that actions under these workstreams would be addressed in the first six months of the Improvement Plan it has become clearer that they are dependent on the outcomes of the internal and CIPFA reviews that have been concentrating on the more pressing issues of governance, bringing revenue and capital budgets under control and of service redesign. The Panel therefore understand and accept that they are running behind issues that were of more immediate concern.



#### PCC Response:

There is a dependency on all CIPFA reviews to be completed by the end of July. The reviews will then feed into the more detailed design of our programmes from September onwards. This will ensure that any recommendations from the reviews will be taken forward in a structured manner and delivered at pace.

#### 4.2.2 **External review reports**

##### Improvement Panel Comments:

Despite the unavoidable slow start, progress has been made in each of these areas and draft reports have been issued to officers by CIPFA on Norfolk Property Services Ltd (NPS) and the Peterborough Improvement Partnership (PIP). These reports have not yet been shared with the lead Panel member. The next six-monthly report of the Panel will therefore be able to comment on these reports, and subsequent actions taken. It is understood that a report on the Council's relationship with Serco is expected shortly by the Council, and the Panel would also welcome early sight of that report when it is completed.

Overall, management have put effort both into understanding the nature of these relationships and the risks that they pose to the Council as well as seeking to gain a degree of client control over strategy and operations of these companies. However, the burden of this is focussed on the Chief Finance Officer and it remains unclear how reform of these relationships will be managed over the two forthcoming years given the complexity of decision making and the considerable workload in bringing functions in-house or delivering improved governance.

In consideration of how it will undertake the 'shareholder' role, the Council has talked with other authorities and produced draft proposals for member consideration on future arrangements. Steps have been taken to embed good practice such as in limiting the role of members on companies and Joint Venture undertakings to reduce the likelihood and impacts of potential conflicts of interests and limitations on objectivity.

On NPS, we understand that CIPFA are recommending that 12 months' notice is given on the JV which will necessitate further consideration of alternative in-house delivery options to address the lack of a strong client function and combine overall responsibility for property issues including asset valuations, a robust asset management strategy and crucially a disposals strategy to support the reduction in overall levels of debt.

On PIP, the Council had distanced itself to the point of the Partnership taking its own governance, operational and financial decisions and the Council failing to appreciate the risks involved including those associated with offshoring. This needs to be urgently addressed and the CIPFA report is likely to recommend significant reform which the Chief Executive has indicated will be supported.

On Serco, the Council is making positive moves to build relationships with Serco management to explore options for terminating the £10m per annum arrangement providing a range of critical service. The Council may wish to talk with Birmingham City Council about their approach to terminating a similar arrangement with Capita in 2019.

#### PCC Response:

There is a dependency on all CIPFA reviews to be completed by the end of July. The reviews will then feed into the more detailed design of our programmes from September onwards. This will ensure that any recommendations from the reviews will be taken forward in a structured manner and delivered at pace.

#### 4.2.3 **Asset Management group**

##### Improvement Panel Comments:

The Council has produced a capital strategy which is central to controlling capital spend and in bringing excessive levels of borrowing under control. As indicated above, considerable work is underway to reprioritise the programme against available resources.

A Capital Programme group has been established to drive the formulation of capital proposals and the management of the programme but work to establish an Asset Management group to oversee the rationalisation of assets and the disposal of under-utilised assets needs to be accelerated. These are both critical to the formulation of the capital proposals for 2022/24 and beyond. The fully formulated plan for the continuing reduction in debt will need to be in place shortly.

PCC Response:

Work is progressing on reducing the 2022/23 Capital Programme to ensure that no new borrowing is incurred, and that funding is only through the sales of assets or grant funded. The removal of borrowing in the current year is needed in order to deliver the £0.75m revenue saving that has been included within the budget.

The minimum revenue provision detailed calculation is anticipated to be completed over the summer months and given that the performance of the capital programme was £33m for 2021/22 compared to the budget of £79m a forecast underspend is expected.

#### 4.2.4 **Asset Management Strategy and Disposals Plan**

Improvement Panel Comments:

Looking ahead, further work is planned on setting objective decision-making criteria for capital schemes and this, together with an Asset Management Strategy and Plan and a Disposals Plan are crucial in the short term to feed the MTFs process.

#### 4.2.5 **Capital Project management**

Improvement Panel Comments:

The Council needs to improve capital monitoring to address serious concerns over slippage (more than 50% in 2021/22) to ensure that resources are being effectively utilised to meet the Council's objectives in its Council and Service Plans.

Finally, the Council is fully aware of the potential impacts of sustained high inflation on its capital proposals but needs to codify these as part of its programme approach to ensure that it manages contingencies effectively and does not stumble into a position where commitments become greater than available resources.

PCC Response:

Revised programme management and reporting disciplines will be introduced from September (grip). To ensure on time and on budget delivery, the revised framework will tighten our focus around 6 key areas: Design, Delivery, Finance, Change, Leadership, and Risks, Issues and Dependencies.

#### 4.2.6 Improvement Panel Comments:

In conclusion on the three key strands above, it is the view of the IIAP that the Council has made progress in the last six months towards the aim of financial sustainability, on transformation activity and on work around assets and contracting arrangements. There are, however, still significant risks to be managed. In addition, there are a number of areas of work that need to be undertaken that will involve the full engagement of all service directors and elected members in order to enable a sustainable future operating model for Peterborough post 2024.

### 4.3 **GOVERNANCE**

Improvement Panel Comments:

The overall governance of the City Council is a matter of concern to the Secretary of State as detailed in the letter to the Leader of the Council last year. The Council has accepted a series of recommendations which require change in its governance. The Council has started to implement these. The Panel's overall view is that the City Council is making progress with the actions on governance and cultural change. However, there is much more to do especially when it comes

to putting these changes into practice. Major risks remain and the Council is not “out of the woods” yet. The Panel will continue to seek assurance that the progress underway will continue. The handling of other items on the Council’s agenda at this meeting will give an indication of the Council’s commitment to genuine progress

#### 4.3.1 **No overall control**

##### Improvement Panel Comments:

The results of the May 2022 local elections left the Council in an unchanged position of No Overall Control. Whilst there is a degree of continuity with the Conservative led minority administration still in place, a high degree of uncertainty remains about decision making in the Council chamber. There are no guarantees that the administration’s policies will be accepted by Council. This situation reinforces the need for the engagement of all councillors in the deliberations of the Council. The onus is on the Leader and his administration to continue the efforts to engage the other parties in supporting delivery of the Improvement Plan as well as in key policy developments particularly the corporate strategy and the MTFs. Equally, the other parties in the Council chamber hold a responsibility to play their part in engaging with the administration on the many difficult issues and decisions to be made by the Council in the best interests of the community. There is probably insufficient trust between the political groups currently to support a high degree of shared understanding and cooperation in the best interest of the public. However, there is evidence of good cooperation developing between the political groups in the cross party Finance Strategy Working Group (FSWG). This is helping develop a shared understanding amongst councillors about the financial challenges the Council faces and the options that are available as solutions. The Council needs to build on this work. Good quality and timely information provided by officers in a transparent manner is essential and, if delivered, will contribute to the effective engagement of councillors of all parties in all aspects of governance including executive decision making, policy making, overview and scrutiny, and audit.

##### PCC Response:

In order to provide the tools for all councillors to engage, the PCC Member training programme is being strengthened. The LGA are meeting with the Director of Law & Governance to discuss how the LGA can support financially and/or with delivery and how the programme reads across into the member peer support they will be providing. This is a significant programme of support and the LGA will be allocating an LGA Programme Manager to oversee and coordinate the delivery.

Following the Growth, Resources and Communities Scrutiny reviewing the first report and Cabinet’s response to the progress being made against delivery of the Improvement Plan, collective comments will be captured and the Leader will write to the Minister providing an update.

#### 4.3.2 **Electoral arrangements**

##### Improvement Panel Comments:

It is vital that the Council gives proper consideration to the option of all out elections every four years. A report on this issue is presented elsewhere on the Council’s agenda. A key part of this consideration is understanding why the matter is important for Peterborough. Of key concern is the creation of electoral arrangements which support and facilitate long term, strategic planning which is in the best interests of the city and is concomitant with the leadership and governance of a major city.

#### 4.3.3 **The Chief Executive**

##### Improvement Panel Comments:

The appointment of a Chief Executive with sole responsibility to the Council is a key step forward. In the last few months Matt Gladstone has taken up the post, defined clear priorities and made good progress quickly in addressing these. It is clear to the Panel that he is demonstrating the kind of officer leadership which is needed by the Council at this time. A number of the issues below are being progressed by him as priorities for improving the Council’s governance.

#### 4.3.4 **Council Delegations**

##### Improvement Panel Comments:

The Chief Executive and the Director of Law & Governance have brought forward proposals to update these and bring them into line with best practice in other unitary councils nationally. These will, if approved by the Council, improve corporate oversight and control of key decisions, particularly in relation to financial commitments over certain levels.

#### 4.3.5 **Executive decision making**

##### Improvement Panel Comments:

Similarly the Chief Executive and Director of Law & Governance have brought forward proposals to increase the corporate oversight and transparency of decisions made by the Executive, especially those made by individual members of the Cabinet. Putting these new systems into practice will improve the quality of governance overall.

#### 4.3.6 **Audit Committee**

**Improvement Panel Comments:** Good progress has been made in reconfiguring the committee and, in doing so, appointing an independent chair. Progress needs to be made now in implementing a fresh approach to the committee's work and its reports to Council with a greater emphasis on the examination and identification of matters of concern.

#### 4.3.7 **LGA Training and Support for Members**

##### Improvement Panel Comments:

A very good plan has been developed to support members in Peterborough. The key issues now are the delivery of the plan and the take up by Members. The onus now is on all councillors to take the opportunity to develop their skills and knowledge, and to learn ways in which they can work better and smarter for the benefit of the Council and the community. From our interactions with Members the Panel believe there is an appetite for training and development and this will be confirmed or denied by evidence of attendance and take up of the offer.

#### 4.3.8 **Management Structures and Systems**

##### Improvement Panel Comments:

The Chief Executive has made progress in considering the options for the structure of the corporate management team. It is very good progress that there is now a much clearer and stronger focus on Peterborough's priorities reflected in the revised structure. Equally, the introduction of a new management led boards (procurement, savings, capital programme, improvement) has increased the focus on and rigour with which programmes of work are planned, monitored, reviewed and controlled. It is important that a corporate overview of these arrangements is maintained. It is also important that a shared culture of responsibility across the whole Leadership Team is established, especially given the current position that a great deal falls on to the triumvirate of the Chief Executive, Director of Finance and Director of Law and Governance.

#### 4.3.9 **Resourcing Change**

##### Improvement Panel Comments:

As noted elsewhere in this report, while it is vital that the Council is able to address a number of immediate financial and service improvement imperatives, it is also important that it does so in a manner that is sustainable into the long term. To this end the Panel welcomes the early moves by the Chief Executive to establish some dedicated transformation and programme management capability under his direct leadership. It is important that this resource is sustained over the medium term (at least the next 12-18 months) given that it will take at least this amount of time to develop long term transformation proposals, develop the necessary business cases for change

and then put in place the necessary leadership and governance arrangements to oversee delivery.

PCC Response:

We are in the process of building a CEX's delivery unit team to design, test and agree with Cabinet a strategy and plans for leadership, on the design and organisation of Peterborough so that it can deliver the administration's long-term vision for the City and its priority outcomes, a strategy and plan that invests into the City's future while creating the foundations of a sustainable future city council.

Plans that address capacity, programme governance and funding will be brought back to cabinet for consultation and agreement where these require additional investment on top of the already agreed earmarked funding for improvements.

#### **4.4 Conclusion**

Improvement Panel Comments:

The Council's commitment to the delivery of the Improvement Plan is essential for its long-term sustainability. It is the view of the IAP that the Council has made progress in the last six months towards the aim of financial sustainability, on transformation activity, on work around assets and contracting arrangements and on governance. There are, however, still significant risks to be managed. In addition, there are a number of areas of work that need to be undertaken that will involve the full engagement of, and recognition of shared responsibility for, all service directors and elected members in order to enable a sustainable future operating model for Peterborough post 2024. There is also much more to do especially when it comes to putting governance and culture change into practice, as that goes to behaviours as well as processes. Major risks remain and the Panel will continue to monitor, review and support the Council's work to deliver on the Plan.

#### **5. CONSULTATION**

5.1 The consultation strategy was approved by Council on 16 December 2021.

#### **6. REASON FOR THE RECOMMENDATION**

6.1 Reporting process in accordance with the governance review of September 2021.

#### **7. ALTERNATIVE OPTIONS CONSIDERED**

7.1 No alternative options considered.

#### **8. IMPLICATIONS**

##### **Financial Implications**

8.1 There is no change to the estimated financial implications presented to Council in December 2021.

##### **Legal Implications**

8.2 No change to previously reported.

##### **Equalities Implications**

8.3 No change to previously reported.

##### **Carbon Impact Assessment**

8.5 No change to previously reported.

## **Communications and Engagement**

8.6 No change to previously reported.

### **9. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

9.1 Council report 'Financial Improvement Planning' 16 December 2021

9.2 'Governance Review: Peterborough City Council' Andrew Flockhart report 2021

### **10. APPENDICES**

10.1 Appendix A – Improvement Plan

10.2 Appendix B – CIPFA Recommendations with Officer Commentary





# Peterborough City Council

## Improvement Plan

2021 - 2024

DRAFT V3.0 December 2021  
[www.peterborough.gov.uk](http://www.peterborough.gov.uk)

PETERBOROUGH  
  
CITY COUNCIL

# PETERBOROUGH CITY COUNCIL IMPROVEMENT PLAN

In August 2021, the Department for Levelling Up, Housing and Communities commissioned reviews of the Council's financial stability and its governance arrangements, and these reviews made a series of independent recommendations. This document describes our Improvement Plan, to confirm and provide assurance to the Government that Peterborough's response to the Non-Statutory Review (NSR) regarding Exceptional Financial Support is positive and being undertaken at pace.

This is our two-year Improvement Plan which is structured into six-month planning and delivery windows. Developing the plan using this approach allows us to plan in depth for the next six months, keeping focus on delivering the things that matter, whilst readying the organisation for the things that need to be delivered in the medium term.

As the Leader and Chief Executive, we recognise the seriousness of the financial, governance and operational challenges we face, and it is going to take a significant collective effort from all at the Council to address them and reach a sustainable position. The reviews raise serious issues which we must address and we remain determined and confident in our organisation's capacity and capability to change.

This will require the Council to be brave, innovative, and disciplined. We will refresh our Corporate Strategy and build on the vision for a safe, vibrant, and growing City. A place to live, work and visit where everyone can thrive and feel welcome. Our commitment to this long-term vision remains as strong as ever and our ambition for the City and its people is unchanged. We cannot afford to do everything today, so we will focus on a range of improvement themes that prioritise delivery of the right services for our citizens within the budget we can afford.

The size and scale of the challenge ahead of us is significant and will test us all, but working constructively with the Government, our partners, and the people of Peterborough, we are confident, that with the actions set out in this Improvement Plan, we will successfully deliver the fundamental changes needed for the Council.

**We will be a well governed council which ensures delivery of the right services for those that need them in an efficient, cost effective and sustainable manner.**



A handwritten signature in white ink, appearing to read 'Wayne Fitzgerald'.

Cllr Wayne Fitzgerald  
Leader of Peterborough City  
Council



A handwritten signature in white ink, appearing to read 'Gillian Beasley'.

Gillian Beasley OBE  
Chief Executive,  
Peterborough City Council





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# Introduction

Peterborough City Council is one of the councils that requested Exceptional Financial Support (EFS) from Government during 2020. A condition of this support was that the Department for Levelling-Up, Housing Communities (DLUHC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) would undertake reviews of the Council's governance and finances during the summer of 2021. The DLUHC-commissioned reports on finance and governance matters were published in early November 2021 and the Council has acted swiftly in setting-up an Improvement Panel whose composition reflects a wide range of skills and experience from across the sector.

**This is a critical juncture for the Council. We consider financial stability, through the Council's own resources, must be the number one priority for the new administration for the next twelve months supported by a new Chief Executive who will create additional senior management capacity and lead the work on improvement, driving forward a culture of the Council living within its means and focusing on its priorities.**

We need to achieve a sustainable balanced budget, in the context of a refreshed Council Strategy that will set the direction for the Council with transparent, effective, and efficient decision making and with regard to the limited resources that are available to us to deliver this on behalf of the people of Peterborough. Being more fiscally resilient is a key tenet to this improvement journey and the Improvement Plan is closely aligned to our short- and medium-term financial priorities.

We are committed to ensuring that we continue to deliver the quality statutory and day-to-day local services that help keep the City safe and clean, and that we work in partnership with the communities we serve to build a prosperous City that offers residents the opportunity to realise their potential. To do this we will set a balanced budget plan for 2022/23 in the next two months and will publish a multi-period Medium-Term Financial Strategy during 2022/23.

Delivering improvement and changes within a well understood and pragmatic financial framework is a non-negotiable part of this plan and financial grip and holding individuals to account will form the cornerstone of our new culture. We will expect managers, staff and Members to be open to scrutiny and challenge around what we do, how we do it and what it costs to deliver at all times. We will empower and resource the organisation to deliver against the Improvement Plan and will hold people to account if commitments to deliver are not met. We will drive culture change through a set of simple and measurable indicators.

This two-year Improvement Plan is structured into six-month planning and delivery windows: keeping focus on delivering the things that matter whilst readying the organisation for the things that need to be delivered in the medium term. We will weigh up potential changes on the basis of whether they improve outcomes and at what cost. We will not make change for change's sake. Equally, we will not rule out any options for change that could help improve outcomes. We will keep an open mind even where options might be uncomfortable.

The plan is built on three key themes which will be monitored, measured and reported within a rigorous programme management framework with a clear focus on delivery:

## **THEME 1: FINANCIAL SUSTAINABILITY**

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Achieving financial sustainability relies on us setting a balanced budget for 2022/23, delivering on our savings and transformation plans, delivering sharper focus on collective and individual fiscal responsibility and accountability ensuring that we deliver on our priorities. This will mean taking bold decisions to turn off the things that are no longer "core/can't afford" as we constantly challenge ourselves on how we spend every penny of the Council's money.

## **THEME 2: SERVICE REVIEWS**

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We need to urgently review all our activities, including statutory & key services, our contracts and our assets. We have initiated a series of service deep dives starting in Adult's and Children's Services and will continue this



programme of review into mid-2023. The reviews are focused on identifying opportunities for efficiencies using external challenge and the outcome of the reviews will generate options and recommendations for doing things differently. We will manage these reviews using an agile approach so that we can agree and deliver changes as new opportunities and alternative ways of working present themselves. We have to have the ability to make change happen more rapidly.

### THEME 3: GOVERNANCE AND CULTURE

This section describes how we will manage the Improvement Plan with the support of the Improvement Panel and associated partners. We will refresh our Corporate Strategy and key policies. We will adopt stronger fiscal and delivery disciplines where individual accountability will be at the heart of our new ethos. We will only change the organisation if we are clear on what has to change, by when and to what standard.

To deliver against these themes, leaders throughout the organisation will have to demonstrate a high level of fiscal self-awareness, emotional intelligence, and subject matter expertise. We must all continue to challenge each other and the status quo, call out things that we think are wrong and be pro-active, seeking out opportunities to innovate and improve.

Officers and Members of the Council are committed to remaining transparent and welcoming of external challenge and scrutiny. We have been open about our financial situation and have worked hard to try and address the significant financial challenges we face. However, we know we need to do more. **We recognise that the capitalisation directive from national Government should only be agreed once we have exhausted all alternative actions to provide a balanced budget for 2022/23.**



In 2019, the Council started an extensive Financial Improvement Programme and specialist consultants were engaged to provide rigorous challenge to the Council's baseline position and forecast, and to bring in best practice examples of service transformation and savings. From this, we identified £11m of potential savings for 2021/22 against a £14m budget gap. The COVID-19 pandemic has delayed some activity. We know that with the assistance of transformational funding, reduced capital spending and the enhancement to reserves from a release of its remaining non-service delivery assets, Peterborough has the potential to be sustainable in the short to medium term.

Next year's budget will need to be tactical, addressing the immediate financial structural issues that we need to rectify. External expertise and internal capacity have been increased to develop transformation and budget options to deliver savings in 2022/23. Our improvement programme will also be supported with capacity from CIPFA which has started to examine all major areas of spend across the Council.

**Beyond 2023, we expect our budgets (and our MTFs) to become sustainable.**

Councillors have ambitious plans, including support for the new University and a programme of housebuilding and other growth-based activities. But these initiatives need time to make an impact, particularly in light of the impacts of the pandemic on our City and citizens. They will not solve the immediate financial challenges that the Council faces. Following the May 2021 elections, a new administration has been formed with a new determination and willingness to resolve the short- and longer-term financial situation by taking difficult decisions now.

To support the cross-party collaboration that is necessary for hard decisions to be made and key priorities to be agreed, we have established a cross-party Financial Sustainability Working Group which meets on a regular basis to review improvement opportunities. This group will also hold officers to account for delivery of the Improvement Plan and will report directly to the Improvement Panel and Full Council.

The whole organisation has worked incredibly hard through the pandemic and there are, unsurprisingly, signs of change inertia. To address this, we urgently need to change our narrative and reframe it to harness the motivation of staff to ensure the whole organisation has a renewed focus on addressing the significant financial challenges that lie ahead. The improvement and transformation journey will require a huge effort from the whole organisation - Members, senior managers, our workforce, and our delivery partners.

We have responded quickly to recent reports into governance and financial matters and have adopted a spirit of partnership working and collaboration with DLUHC to date. This dialogue will continue during the improvement period over the next two years. We look forward to receiving additional support from the non-executives who will form the Improvement Panel and CIPFA and the insights on best practice they will bring. We will identify and allocate the necessary resources from our own teams to take on this best practice and deliver the required recovery and improvement.

The Improvement Plan is a live document with the two-year plan being split into six-month planning windows, with the immediate six months being set out in detail, while maintaining a view of the longer-term planning horizon. We have finite resources, and we need to target them to focus on making changes to our delivery model where we can deliver the best return while continuing to live within our means.

**Delivering this plan will lead to real and positive change, with lessons learned being applied to make Peterborough City Council a stronger and financially sustainable organisation.**





## Corporate Strategy

The council needs to refresh its Corporate Strategy for the period 2022-2025. This work will be developed in two parts. Part one, which is described here, will be an 18-month tactical strategy for the period January 2022 to July 2023 with a focus on reaching financial sustainability. This will underpin the Improvement Plan which will capture activity to deliver.

Part two will be developed during the first three to six months of 2022 and will set the longer-term ambition and vision for the council and City. This refreshed Corporate Strategy 2022-25 will replace the draft Corporate Strategy which has been in consultation since the spring of this year. Both parts of the refreshed strategy will respond to reports from CIPFA, DLHUC and the Local Government Association and in consideration of the context in which the Council must now operate.

The 2022-2025 Corporate Strategy is an opportunity for the Council to set out a positive vision for the area, with a longer-term revised policy framework that clearly articulates our priorities and purpose to citizens, businesses, partners, and other stakeholders. To develop this vision, the Council will work alongside partners, business and the residents of Peterborough to consider the priorities for the City and the contribution that everyone is able to make.

Both parts of the strategy will focus on the core and statutory services that meet the needs of citizens, particularly in light of the impacts of the pandemic. All service plans will be reviewed to ensure that activity and performance measures are directly related to delivery of priority outcomes laid out in the Corporate Strategy. Activity that is not directly related to the new Corporate Strategy will be stopped.

**The strategy will pay careful attention to identifying and meeting the needs of residents now and in the future, acknowledging that Council may not always be the solution. There are huge strengths, assets and resources across Peterborough many of which sit in partner organisations, business and communities. The Council must play its part in bringing people together and leveraging these resources around the key priorities for the City.**

“It is clear that we are a council that can achieve what we set our mind to do. We have been highly successful in attracting external funding and have worked tirelessly to support residents throughout the pandemic.

There is an exciting future ahead for the City and this two-part corporate strategy will help us with the decisions we need to make in the short term, so that we can be ambitious in the longer term and have the funding and tools we need to make future investments.

I have already started to establish a more ‘listening’ and collaborative culture inside and outside the council which has been welcomed by partner organisations and, together, we are already driving the strong recovery of our City, from the Embankment redevelopment to delivery of a new University.

You will see that this Council remains committed to ensuring that Peterborough is a place where residents are proud to live, work and grow up. “

**Cllr Wayne Fitzgerald, Leader of Peterborough City Council.**

# Corporate Strategy **Part One**

Years of austerity measures, reduced funding from Central Government and rising demand for Council services, coupled with recent the COVID-19 pandemic has accelerated our already stressed finances to the brink.

The previous strategy set out a vision for a safe, vibrant, and growing City. A place to live, work and visit where everyone can thrive and feel welcome. Our commitment to this long-term vision remains as strong as ever and our ambition for the city and its people is unchanged. But we must immediately address the serious issues raised in these recent reports and adjust our plans over the next 2 years to ensure future sustainability.

We have developed an Improvement Plan to drive the work we need to do and the decisions we need to make to reach sustainability. The plan will also provide assurance to the Government that Peterborough City Council's response to the Governance and Finance Reviews of the Council is positive and being undertaken at pace.

We have also established an Independent Improvement and Assurance Panel which will provide external advice, challenge, and expertise to Peterborough City Council and hold us to account for the delivery of our Improvement Plan.

We recognise that, if we are to achieve our aims and live up to our aspirations for a successful Peterborough in the future, we must rethink what we do and how we do it today. This document sets out our ambition and our revised priorities.

**We will be a well governed council which ensures delivery of the right services for those that need them in an efficient, cost effective and sustainable manner.**

We remain committed in ensuring that **Peterborough is a place where residents are proud to live, work and grow up in.** We will act now to ensure that in the longer term we are a financially and environmentally sustainable council which is well positioned to make Peterborough a place where:

- We have a greener, cleaner City with safe, friendly and healthy neighbourhoods.
- There are first rate futures for our children & young people, with quality support for adults, older and disabled people.
- We support and enable people to do more for themselves, for each other and for their communities
- Our City grows in a sustainable and fair way to create job opportunities and address poverty. As we grow, we will invest in the quality and availability of housing.

We will review all our delivery, budgeting, resourcing and performance activities and focus on the best quality core services we can afford.

This first 18-month tactical strategy for the period January 2022 to July 2023, is at the heart of our Improvement Plan and will focus on three key areas: reaching a sustainable financial model by 2023, how we will deliver services now and, in the future, and strengthening our governance and culture.

## **FINANCIAL SUSTAINABILITY PRIORITIES**

- That we manage our finances in a sustainable way to help us reach a strong financial position in the medium term, and continue to deliver the well-planned, modern, effective and value for money public services that local people expect.
- That we develop a four-year MTFs for 2023-27, reflecting the outcome of a root and branch review of all of our services, and the forecast resources available to the Council.
- That our budget process links clearly to outcomes for residents in Peterborough, rather than being based on the Council's existing structure and services.
- That we carefully manage our capital and investment programme, reduce external borrowing, and generate more capital receipts through disposing of assets that are no longer needed or by using assets to generate income.
- That our council-owned companies, have appropriate financial, governance and management arrangements which drive up quality and provide value for money.



## TO DELIVER THIS, WE WILL

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- Robustly manage our Capital programme and Investment programme, reduce borrowing and generate more capital receipts through disposal of assets that are no longer needed.
- Optimise the use of our assets to support service delivery to meet the needs of our residents and businesses and support the delivery of our outcomes
- Review our council owned companies to ensure appropriate financial, governance and management arrangements are in place
- Align our outcomes for Peterborough and the ambition of the Council with the resources available to us.
- Establish a planned and sustainable budget framework to ensure that the activities within it are affordable within the resources available to us in the medium to long term.
- Increase our commercial activity to ensure we are maximising revenue and minimising the cost to the taxpayer.
- Ensure that all external contracts we commit to get the best value for taxpayers' money.

## OUR SERVICE PRIORITIES

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- That the council services local people rely on can continue to be well planned and effectively delivered.
- That the council works with its partners and communities to make the best use of its limited resources and avoids unnecessary interventions and duplication.
- That we effectively deliver quality statutory services to ensure that vulnerable children are protected, and all children have the conditions for the best start in life.
- That our older and vulnerable adults can have a good quality of life and grow old with dignity.
- That the city works together as one to address the climate emergency, getting us on the path to net zero emissions by 2030.
- That our local services that help keep the city safe and clean continue to be delivered well, and that we work in partnership with the communities we serve to build a prosperous city that offers people the opportunity to realise their potential.

## TO DELIVER THIS, WE WILL

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- Undertake a comprehensive review of our services, including how we manage current demand, encourage independence and intervene early where we need to.
- Model future demand pressures and costs alongside a forensic review of expenditure.
- Focus on providing the best quality core services we can afford whilst continuing to target provision effectively, so that the right services reach the right residents at the right time.
- Deliver on our commitment to make the council's activities net-zero carbon by 2030 and to support the city to achieve the same.
- Organise ourselves so that our available resources are used effectively to meet need in a cost effective and sustainable way that improves the quality of life and reduces inequalities.
- Continue to build strong relationships and work in partnership with local people, communities, businesses and partners to ensure we work together effectively in our commissioning and delivery of services.

## GOVERNANCE PRIORITIES

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- That there is shared commitment by all Members in Full Council, strong and decisive leadership by Cabinet, constructive and well-informed scrutiny, and inquisitive and challenging audit, enabling the Council to fulfil its ambitions for the city and its duties to the public.
- That public funds are managed responsibly and used to respond to current needs and invest for the future.

- That there is cross party, collaborative work to reach a sustainable future for the Council and City.
- That the principles of good governance are well understood, accepted and put into practice routinely by all Members.
- That our Performance Management Framework provides clear accountability for the delivery of the outcomes in the Corporate Strategy and is effective in managing performance across the organisation.

## **TO DELIVER THIS, WE WILL**

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- Establish and embed a strategy for Member development particularly in relation to their roles on audit and scrutiny
- Review existing governance structures to see if improvements can be made.
- Ensure that the principles of good governance are shared, discussed and adopted.
- Undertake a workforce development programme to help our officers and councillors build on their strengths whilst also developing the new skills and experience needed to support the city council, citizens and city over the long term.
- Scrutinise 'performance' in the broadest sense, rather than focusing only on traditional measures such as output indicators and progress on delivering service plans.
- Develop a longer-term revised policy framework that clearly articulates our priorities and purpose to citizens, businesses, partners, and other stakeholders.
- Use evidence and external expertise where needed to drive our decision making, ensuring the decisions we take are well-informed by a diverse range of views, with clear accountability for decisions, and made transparently and openly for the benefit of the public we serve.
- Strengthen good practices in transparency, reporting and audit to deliver effective accountability.

**Focus and effort across these three areas will help us to address some of the biggest challenges the Council and the City faces, whilst continuing to deliver the modern, effective and value for money public services that local people need and deserve.**





# Improvement Plan - key deliverables in the first six months

Theme	Workstream	Key Deliverables	Milestone
Corporate Strategy	Part One	Short term, tactical Strategy informing development of two-year Improvement Plan, with a focus on reaching financial sustainability.	Consultation starts Dec '21
	Part Two	2022- 2025 Corporate Strategy, setting the longer-term ambition and vision for the Council and City	Consultation starts May '22
Financial Sustainability	Medium Term Financial Strategy	Restrict expenditure in 2021/22. Set Revenue and Capital budgets for 2022/23 Develop Medium Term Financial Strategy 2023-2027 Develop and implement new Financial Operating Framework	Nov '21 Nov '21 - Feb '22 Dec '21 - Sep '22 Mar '22 - Nov '22
	Assets	Assets Disposal Review of Assets Base Develop and implement refreshed Assets Strategy	Dec '21 - ongoing May '22 - ongoing Mar '22 - Jul'
	Capital Programme	Review of the existing Capital Programme Develop and implement refreshed Capital Strategy Balance Sheet management	Dec'21 - Mar'22 Jan '22 - May '22 Dec '21 - ongoing
Service Reviews	Initial deep dives into areas identified by CIPFA benchmarking	Adults Childrens Housing and Planning Communities	By Jan '22 By Jan '22 By Feb '22 By Feb '22
	Outcomes Based Service Reviews	Develop methodology and timeline for outcomes-based reviews	Feb '22
	Revised target operating model (TOM)	Create the structure for a new TOM, including assessment of the TOM design principles against revised/new service delivery options.	Feb '22
	Contract Reviews	Complete the review of major contracts, bringing in subject matter experts where required. Ensure all contracts have a named contract holder, who is suitably trained in contract management	Dec '21 - Feb '22 Dec '21 - Jan '22

<b>Service Reviews (continued)</b>	<b>Contract Reviews (continued)</b>	Ensure a Commissioning Strategy exists for all services and sub-services the Council delivers, either through an external provider or in-house	Jan '22 – May '22
	<b>Review of companies</b>	<p>Review of existing Council companies</p> <p>Review and implementation of new group holding structure and Governance arrangements for company oversight</p> <p>New strategy for establishing service delivery arrangements and company creation</p>	<p>Dec '21 – Mar '22</p> <p>Jan '22 – Mar '22</p> <p>Feb '22 – May '22</p>
<b>Governance and Culture</b>	<b>Governance and Assurance</b>	Strengthening Audit committee including recruitment of independent members of the audit committee	Dec '21 – Jan '22
		Strengthen the skills and approaches of members of the Scrutiny Committees through additional training.	Dec '21 – Jan '22
		Make the necessary changes to our Constitution to incorporate the role of the Improvement and Assurance Panel in the Council's governance structures	Dec '21
		Develop proposal to change from elections by thirds to all-out elections every four year.	Dec '21 – Jan '22
		Review existing governance structures to see if improvements can be made.	Jan '22 – Mar '22
	<b>Performance Management</b>	<p>Develop and embed Business Assurance and Project Management Office function, with responsibility for monitoring, reporting and supporting deliver of this Improvement Plan</p> <p>Review performance management framework and embed individual accountability for delivery of this Improvement Plan.</p>	<p>Dec '21 – Jan '22</p> <p>Jan '22 – Mar '22</p>
<b>Capacity and capability</b>	<p>Review of organisational structure</p> <p>Six month delivery and resourcing plans delivered for all workstreams in this Improvement Plan</p> <p>Additional capacity to deliver first 6 months of plan secured</p>	<p>Feb '22 – May '22</p> <p>Dec '21 – Jan '22</p> <p>By Jan '22</p>	

# THEME ONE Financial Sustainability

## FINANCIAL SUSTAINABILITY WORKSTREAM 1 MEDIUM TERM FINANCIAL STRATEGY

The delivery of a realistic and robust Medium Term Financial Strategy (MTFS) is dependent upon a Council-wide commitment from Officers and Elected Members to a fundamental change in how we work, how services are provided, and how we engage with, and provide for, our residents. The status quo will not work and would inevitably lead to direct Government intervention given that the money will simply run out.

There are four key work streams in this section which are vital to the delivery of a sustainable financial future for the Council. These are:

### 1. RESTRICTING EXPENDITURE IN 2021/22

A moratorium has been introduced for the current year to ensure only essential expenditure is incurred in the remaining third of the year. This should produce an underspend which can either be used to roll forward as a one-off solution for 2022/23, or added to reserves, whichever is the greater assessed need.

### 2. REVENUE AND CAPITAL BUDGETS FOR 2022/23

Presenting a balanced budget for revenue that has a positive Section 25 assurance is a huge challenge. We will meet the challenge by:

- Fully establishing the unavoidable financial pressures our services will be facing, particularly as a result of the pandemic, and factoring those in the final budget
- Rigorously pursuing quick wins, including a review of our fees and charges
- Only including savings proposals that are rated Green or Amber for delivery on the traditional 'traffic-light' risk rating
- Using one-off monies as a last resort (e.g. capitalisation directive) unless for a very specific and one-off purpose (such as COVID-19 funding)
- Ensuring, wherever possible, that the need for short-term results for 2022/23 does not impede the opportunity for greater savings in future years
- The resulting proposals will be released for formal consultation on 21 January 2022, and will be considered by Cabinet on 21 February 2022, before being amended as appropriate and debated by full Council on 2 March 2022
- Financial Sustainability Workstream 3: Capital Programme, outlines the approach to the capital budget

### 3. MEDIUM TERM FINANCIAL STRATEGY 2023/24-2026/2027

Setting a genuine MTFS that will stand the test of time requires brave and innovative thinking. In our particular situation, it needs a root and branch review of everything we do, and how we do it. We will also need to consider how the fast-changing world of technology can play an increasing role in our engagement with residents, clients and customers. We accept that true and genuine transformation takes time, and money. Our MTFS will recognise that savings from transformation take several years to be fully realised, and so we may have to combine transformation savings with tactical savings in the shorter term. In order to arrive at a four-year strategy, by September 2022, we will:

- Learn from others; examine best practice in other local authorities across all service areas
- Follow-up on the forensic reviews that are already underway in service areas
- Set a range of financial health indicators across the four years, that will effectively set parameters for spending that optimises our use of resources

- Development of key lines of enquiry that will be the basis for the aforementioned 'root and branch review' of services. This will include capital and our company holdings
- Review our attitude to risk and investment. We need to be mindful of our affordability envelope as well as our insurance (mainly financial reserves) against any of our risks materialising

#### **4. FINANCIAL OPERATING FRAMEWORK**

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We will review all of our financial and budget procedures for both revenue and capital, by September 2022. This will promote good financial management and ensure ownership and accountability for effectively managing the Councils budgets, is front and centre of the organisation's priorities. It is only with this attitude and approach that the Council's will achieve financial sustainability. This review will result in:

- Adoption of budget setting procedures, that will be built on the principle of a bottom-up approach
- Financial Sustainability Working Group (Cross-party member group) monthly briefings
- Appropriate, effective and efficient levels of control on spending
- Accountability being unambiguous, with clearly stated consequences of failure eg budget managers overspending their allocation
- Improved in-year monitoring and reporting, and agile decision making

#### **KEY OBJECTIVES**

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- An underspend in 2021/22 in order to bolster reserves
- A realistic and achievable budget for 2022/23
- Reduced reliance on one-off funding solutions
- A brave, bold and ambitious MTFS for 2023/24-2026/27
- A greater focus on sustainability and the longer-term
- Greater engagement and accountability with budget managers across the Council
- An appropriate and affordable attitude to risk

#### **KEY DELIVERABLES**

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- A revenue and capital budget for 2022/23
- A sustainable MTFS for 2023/24-2026/27
- A revised risk appetite
- New Financial Operating Framework and procedure

#### **KEY RISKS**

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- An underspend in 2021/22 is not delivered
- The 2022/23 budget has an unacceptable reliance on one-off funding
- Genuine transformation in service delivery is not undertaken in a timely manner
- Government fails to fully fund changes in legislation, such as social care reform
- Mitigations against these risks include;
  - Real-time monitoring in 2021/22 of discretionary spend lines, with immediate actions taken
  - Working up for further budget savings that can be delivered in-year in 2022/23 that were not sufficiently worked-up for inclusion in the approved budget in March 2022
  - Issuing of a S114 notice

## FINANCIAL SUSTAINABILITY WORKSTREAM 2 ASSETS STRATEGY

The CIPFA report recommended a review of assets to create a consolidated picture of all assets across the Council. At the moment, the Council holds a significant number of assets either on its own or through partners and a new and ambitious strategy is needed to drive inclusive growth and financial sustainability.

### 1. REVIEW OF THE ASSET BASE

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Our updated Asset Management Strategy (AMS) will be based on asset rationalisation where there is no commercial, community or strategic case for retaining the property. In line with the MTFS theme the utilisation of assets will form part of the root and branch review of everything we do and how we do it. The changes to operating practices as a result of the pandemic have demonstrated the possibilities of reducing the use of physical assets while still providing services to residents, clients and customers. It is expected that the decision taken on changes to service delivery will make a number of operational assets redundant and this work will complement the Organisational Capacity and Delivery theme.

### 2. ASSET DISPOSALS

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Receipts from asset disposals will be utilised to meet current commitments, provide additional cash flow into the Council to mitigate budget pressures of servicing past debts (in line with the key Financial Health Indicators referenced in the MTFS section), and if required to provide an alternative funding source for a transformational programme that delivers savings over the period of the MTFS subject to Government approval.

Any disposals must comply with the AMS and the Asset Management Plan. We cannot make short-term decisions that could harm future values. The sites which are recommended for sale will be disposed in accordance with Best Value to ensure the greatest value within the timescales set out in Workstream 1 – MTFS. This will ensure that only asset sales are ‘at the right price’ and will not be rushed into ‘fire sales’.

**To achieve asset disposals we will:**

- Complete a review of our Asset Management Strategy and Plan
- Bring in a subject matter expert to see how we can add value to the existing estate
- As a result of the above, compile a list of possible disposals, and consider and manage the implications of each potential disposal such as
  - revenue loss,
  - maintenance liabilities, and
  - current and potential future issues which may affect valuations
- Where option appraisals are required an external property advisor will be commissioned
- Set up an effective project management to manage all asset disposal activities in accordance with the timescales of this Plan and MTFS and reporting in accordance with the governance of the Plan
- Mitigate any risk in asset sale realisation by continually reviewing and expanding the list of assets recognised for disposals

### KEY OBJECTIVES

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- To have an asset strategy that ensures value is maximised over the short, medium and long term
- To commission a report that identifies how we can maximise the value of our existing estate
- Compile a list of assets for disposal between now and March 2023

### KEY DELIVERABLES

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- An asset strategy approved by Council in July 2022
- A target figure for asset disposals in 2022/23
- Reduced liabilities, both revenue and capital, as a consequence of the asset disposal programme

## KEY RISKS

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- Capital receipts are not realised in sufficient quantum for 2022/23
- Assets are sold before their values are maximised
- The wrong assets are sold
- Revenue income or potential income is lost and cannot be replaced
- Condition surveys adversely impact on purchase price

### FINANCIAL SUSTAINABILITY WORKSTREAM 3 CAPITAL PROGRAMME

Peterborough Council has a high level of debt. The borrowing costs associated with that debt represent 16% of the 2021/22 revenue budget. This must and will be reduced over the medium term. The 2020/21 Statement of Accounts, including internal borrowing, shows total debt at £598m. Total realisable assets held by the Council are shown at £368m.

There are historic reasons for this position, such as investment in assets no longer on our balance sheet (academy schools) and investments in no-realizable assets (eg roads). This is not unusual, but it does mean that maximising our assets through service provision or disposals, is critical

Turning the debt to realisable assets ratio into a more positive and proportionate balance will take time. The following elements will be implemented:

#### 1. REVIEW OF THE EXISTING CAPITAL PROGRAMME

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This is already underway. The Section 151 officer has issued an instruction to the organisation that 'the Council must stop all capital expenditure that is not legally required that is funded by Council Resources'. Interim controls have also been introduced until this Improvement Plan is approved and will remain in place until a revised Capital Strategy, developed as appropriate with our partners and the voluntary sector, with associated controls, is approved.

#### 2. CAPITAL STRATEGY

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A new Capital Strategy will be presented to Council in March 2022 for approval. This will be based around six basic 'rules':

1. No new borrowing unless failure to do so would result in a breach of our statutory duties (see next bullet)
2. Borrowing for projects that will result in future savings with a payback period of five years or less
3. A two-stage approval process: approval to plan (which allows a project to be included in the capital programme) and approval to spend (required before a contract is entered into that commits the Council to expenditure)
4. A prioritisation process based on need and financial benefit.
5. A review of the current governance and control framework
6. A review of funding sources

#### 3. BALANCE SHEET MANAGEMENT

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The level of debt, the cost of debt repayment, and the negative equity shown in the balance sheet are a big concern. The Asset Review section sets out our objectives for asset disposals, which will be used in part to repay debt. Whilst any debt repayment from receipts will reduce the future debt repayment costs (which will be one of our key Financial Health Indicators referenced in the MTFs section) it is unlikely to improve the negative equity situation (unless assets are sold for more than their book valuation). We will therefore only sell assets 'at the right price' and will not be rushed into 'fire sales'. At this stage however, we cannot rule out needing to use some capital receipts to support the 2022/23 revenue spend, subject to Government approval.



## KEY OBJECTIVES

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- To review the existing capital programme to 'shrink to fit' affordability
- To reduce debt costs as an overall percentage of the revenue budget
- To have a Capital Strategy that reflects the perilous state of our balance sheet
- To have a capital programme that properly reflects the Capital Strategy
- To revisit the Asset Management Plan, to ensure we have the right assets in the right place, and that we have fully budgeted for lifecycle costs

## KEY DELIVERABLES

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- Propose a revised Capital Programme to Council in March 2022
- Propose a new Capital Strategy to Council in March 2022
- Ensure we have a fit for purpose process for agreeing and prioritising projects
- Present an updated Asset Management Plan to Council in March 2022, along with recommendations for an asset disposal programme (see Financial Sustainability Workstream 2 – Assets)

## KEY RISKS

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- Council does not adopt the March 2022 recommendations
- More debt is needed to meet our statutory obligations
- Inflation and supply adversely impacting on cost of materials and delivery of projects



## THEME TWO Service Reviews

The purpose of this theme is to describe the Council's approach to examining its current service delivery and operating model.

### SERVICE REVIEWS WORKSTREAM 1 DEEP DIVES

For the first six-month period of the plan, the focus will be on deep dives into the service areas which are highlighted through benchmarking in CIPFA's report. These deep dives will determine if there is scope to make savings quickly in these areas by applying best practice and learning from other councils. We have commissioned CIPFA to work with our service leads and practitioners to review these service areas.

The key driver for the deep dives, over the next six months, is to challenge the service areas to determine how we could do things differently and save money. We will only be able to make the really tough decisions if we have the right mindset. Where we can make the case for change, we must then have the will and determination to stop doing things that (a) don't meet our statutory duties (b) are not core to our corporate priorities or (c) we simply cannot afford to deliver.

**We need to reconsider everything we do and focus only on our priorities and on what we can afford. We have to change our mindset to focus on the things that are essential and important.**

Initially and between now and April 2022, we will carry out service deep dive reviews into five key areas:

- PHASE 1:** Children's Services and Adult's Services (start November 2021, ends December 2021).
- PHASE 2:** Housing and Planning (starts December 2021, ends January 2022).
- PHASE 3:** Community and Leisure Services (starts and ends February 2022).
- PHASE 4:** Companies and other commercial interests (starts Dec '21 ends May '22)
- PHASE 5:** Is a cross-cutting theme and comprises assets and contracts. These will be reviewed on a service-by service basis as we conduct each of the reviews in Phases 1-4.

We will review services using external expertise and challenge from CIPFA and other partners. We will also draw on the wide range of experience from our Improvement Panel and we will "borrow with pride" by challenging our current thinking and being open about adopting new ways of working.

We aim to have reviewed and have key options and recommendations for the first phase of services within the next six months. This work will be undertaken on an iterative basis. For Children's and Adults' we expect to be having conversations about what we could do differently during December 2021 with a view to rapid implementation in early 2022.

The approach to the deep dives will be focused, direct and have a quick turnaround. Our deep dive methodology will comprise a fact finding and diagnostic phase, where we will conduct interviews with service leaders and experts. Our analysis and solution development will be based on reliable data points. We will only move forward to mobilisation and implementation once we have agreed that the proposed changes will deliver better outcomes and maximise efficiencies.

Existing performance data along with sector benchmarking data provided by external partners will be used to review the performance of our services and to help us focus where improvements are required.

We will apply a set of criteria in order to inform the next phases. These criteria will include (a) those services showing a benchmarked high spend, (b) services with a known high spend, (c) statutory then non statutory



based on total service spend, (d) services with significant reliance on support services including business support, contracts and other assets including borrowing.

## **SERVICE REVIEWS WORKSTREAM 2**

### **OUTCOMES BASED SERVICE REVIEWS AND TARGET OPERATING MODEL**

After the first set of deep dive reviews, we will take a more cross cutting view of outcomes and services, looking for opportunities for transformation and innovation. There will be a clear line of sight from strategic objectives to service delivery supported by a common business planning and business prioritisation approach; allocation of financial and people resources where they are most needed.

Underlying this, we will ensure that the linkages between service demand and volumes are aligned to our performance reporting framework. Strategic planning and the allocation of money will be done by focusing on the outcomes rather than by where resources sit in the organisation. We will be smarter at linking up finance information and service activity data to help us do this.

For each service review we will apply a standard set of design principles including the following:

- Protect areas of expertise and professionalism that underpin the current service operating models while at the same time challenging if the operating model is still fit for purpose.
- Explore the scope for productivity increases while also looking at whether demand/service consumption can be reduced. Where elements of services should be no longer continued, we will call these out.
- Every individual counts towards the whole and there is a need to ensure that we have the right skills and competency focus for delivering our services including the structure of teams and the make-up of the teams themselves.
- Enable cross functional working wherever possible appreciating that services are rarely delivered in organisational silos.
- Relating to the points above, thinking outside of the box by considering more radical ideas for service delivery including increasing the scope of our existing partners where they are better placed to deliver.
- Ensuring that the assets and other underlying infrastructure (eg, support services, the corporate centre, ICT, applications, data and information) are fit for purpose.
- That commercial activity should happen in one place eg, where the professional accountability for contracts lies within the Procurement function.
- Spans and layers are reviewed to ensure that controls sit at the right level and that unnecessary layers are removed where they don't add value to the service chain.

The service reviews (and taking account of the design principles) will enable us to reframe our view of the services we deliver and how we deliver them. We will gain a better view of how we want to deliver services in the future accepting that some of our new proposals may require further work in the form of business cases and stakeholder consultation.

In order to help us draw a more composite picture of what the future might look like, we will create a high-level target operating model (TOM). A TOM sets out the desired future state for an organisation. Articulating our future vision will help us to understand the journey we need to go on to get there and this will include key considerations such as:

- What a new TOM would look like for the Council.
- What its implications might be for staff, managers, stakeholders, partners and customers.
- What it might cost to implement and what the financial and non-financial benefits might be.
- How it would improve and indeed further the outcomes we need to achieve at Council and service level.
- How we need to change the way we work together and act together.

Many public sector organisations face significant financial issues and their financial constraints only increase year-on-year. There comes a point where salami-slicing services to save money takes these organisations into the laws of diminishing returns.

The organisations that tend to recover and survive on a more sustainable footing are those that take the brave decisions about focusing on the “minimum viable product”, allowing them to channel their resources into delivering the outcomes that have the greatest impact on those that they serve. This is why the creation of a TOM will allow the Council to see the relationship between the services that it must continue to deliver against the outcomes, the performance regime, the skills, competences and resources that it needs to deliver them.

## KEY OBJECTIVES

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- To maximise our ability to achieve our priority outcomes by increasing the efficiency of service delivery.
- To rationalise and simplify our modes of delivery and influence under a coherent strategy.
- Review shared service arrangements to ensure that they remain fit for purpose and where they are not, propose alternative (costed) ways of delivering services.
- Deliver a set of service-based reviews against the Council’s priorities and against a backdrop of what it can afford over a two-year programme, with the criteria for the remainder of reviews not detailed in this Plan, to be agreed by the Council’s management team during Q4 of the current fiscal year.
- Ensure that the outcomes from the deep dives described in this Plan are consistent with setting a deliverable budget for 2022/23 and a sustainable budget beyond that.
- Review high priority services with the first six months. Agree alternative options for delivery, new ways of working, highlight investments that need to be made (drawing on the capital programme where appropriate to fund transformation).
- Develop business cases for change/transformation focused on changes that will give us the best return on our investment and ones where we can deliver an improved set of outcomes.
- Focus on changes that can be designed, tested and delivered using an agile approach.
- Ensure that the underpinning infrastructure (capital, assets, contracts, commercial arrangements, support services, assets) are challenged to ensure they are fit for purpose and aligned with the services.

The result of this programme, starting now, will be a prioritised, more modern and open Council that acts together to serve its customers and deliver its outcomes in the most efficient way possible with the resources it has available to it. Iterative deep dives will become a common feature of delivering our services so that we constantly review what we do.

## KEY DELIVERABLES

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- Clear line of sight for the immediate reviews as detailed in this Plan.
- Development of prioritisation criteria for the remaining services.
- Clear scope of each review with key personnel from each service identified along with achievable but demanding start and end dates.
- Key findings and options for change supported by evidence, analysis of performance and financial data including benchmarking and data analysis.
- As the reviews deliver conclusions, ensuring there is close alignment to existing discussions and plans regarding the 2022/23 budget and being cognisant of existing and planned savings plans and initiatives.

## KEY RISKS

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- Lack of resources from the Council to participate in the deep dives
- Resistance to change or change fatigue leading to lack of new ideas from service areas

- Insufficient engagement from the service areas.
- Lack of resources to deliver the proposed changes.
- Difficulty in unlocking savings and changes in support services (e.g., assets, contracts etc.)

## **SERVICE REVIEWS WORKSTREAM 3 CONTRACT REVIEWS**

The contracts that we have in place are many and wide-ranging. Our contracts support a whole raft of service delivery functions and almost no contract is the same i.e., different terms and conditions, different contractual clauses, different exit arrangements and payment terms etc. Our contracts portfolio fulfils varying functions in our day-to-day service delivery with some contracts acting as additional and supplementary support whilst other contracts are integral to the work of the service and are part of the “fabric” of a given service.

The purpose of this work stream is to review our contracts with a view to getting a common understanding of what contracts are of vital importance to the running of our services and which contracts could (with careful transition planning and service re-design) be terminated.

### **1. PROPOSED SCOPE**

It is vital that our commissioning, procurement and contract management arrangements are commercially driven and result in value for money services whilst providing support to our service delivery operations. By May 2022 we will:

- Have reviewed those existing contracts that give us most cause for concern
- Ensure every contract has an assigned contract manager
- Provide refresher training to all contract managers and reinforce the interfaces between the services and Procurement including a clear understanding of respective roles and responsibilities.
- Refresh the Contract Management Manual to ensure managers are clear what is expected of them
- Ensure a Commissioning Strategy exists for all services and sub-services the Council delivers, either through an external provider or in-house
- Ensure that those commissioning strategies are supported by a detailed market analysis
- Work with key providers and potential providers on shaping the market, to meet our needs
- Develop procurement plans in line with the commissioning strategies
- Review the need to strengthen the head of profession role for commissioning and contract management

### **2. UNDERSTANDING THE IMPACT AND THE KEY INTERDEPENDENCIES**

We will approach the review of contracts in two ways acknowledging that with the first service reviews in Children’s and Adult’s Services, we will review the key contracts that support these services. As we progress with the service reviews, we will review the specific contracts for these services as appropriate. We will also undertake a fundamental review of all contracts across the Council to assess a range of factors including but not limited to the following:

- Is the contract still required?
- Is the contract performing as it needs to?
- Could the services delivered by the contract be delivered in a more efficient and cost-effective way including the termination of the contract and transferring the contracts functions in-house?
- Are any contracts inhibitors to the transformational changes we need to make?
- Would transferring the contracts functions to another provider (potentially through competition) better support out priorities?

- How does changing the contract arrangements affect other elements of delivery including the impact on business support functions?

Getting the right balance of contracts, being delivered in the most cost-effective way with the right levels of management and control is just as important as getting the right commercial arrangements from the contracts themselves. As we progress the service reviews and the review of contracts, we need to maintain the right balance between the needs of the centre (commercial and financial) with the needs of the services.

## KEY OBJECTIVES

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- Ensure existing contracts are being effectively monitored and managed
- Ensure that there is a well understood strategy and approach to reviewing all contracts in line with financial, commercial and service delivery objectives.
- Contract management skills and roles and responsibilities are clear between contract management and service functions
- A programme of commissioning strategies is a fundamental part of our MTFS
- Procurement Plans are approved prior to any engagement with possible providers

## KEY DELIVERABLES

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- A review of specific contracts in line with the service reviews being conducted by CIPFA starting in Children's and Adult's
- Each contract will have a set of KPIs that will be reported against
- Large spend contracts that have a major impact on service delivery will be taken through Scrutiny Committees.
- The Contracts Register will be reviewed to ensure it holds the appropriate level of information
- Providers of services will be engaged in order to inform our strategies and planning

## KEY RISKS

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- We are paying for services that are not being delivered, or not delivered to the required standard
- We have entered into poor contracts, resulting in poor value for money
- We may not have the required penalty clauses in the contract for poor performance
- We are perceived as uninformed purchasers
- We are prevented from existing contracts due to onerous exit terms and conditions

### SERVICE REVIEWS WORKSTREAM 4 REVIEW OF COMPANIES

The Council has a plethora of arrangements for service delivery in pursuing its aims and objectives and this includes a number of subsidiaries, joint ventures and associated companies. Over the years, the Council's interests have grown in an ad-hoc manner, with little attention paid to an overarching structure or strategy.

It is important that appropriate governance arrangements are in place in order that the Council has visibility on performance and risk and that the synergies between our interests are maximised.

In order to achieve this, by May 2022 we will:

- Carry out a review of existing companies (supported by CIPFA).
- Run an in-housing /outsourcing process for selected companies, reviewing the process used to create the initial justification and the objective justification (Business Case) for future commercial arrangements.

- On completion of each company review, an evaluation of divestment and disposal options and alternative delivery arrangements where these considerations are appropriate.
- Review of governance arrangement for oversight of the Council's portfolio of companies, including options for a new group holding structure.
- Review of internal governance and oversight arrangements from an officer and elected member perspective, ensuring there are no conflicts of interest and that all members and officers are appropriately trained to carry out their role.
- Review the frequency and content of the reporting arrangements for each entity to the Council and develop a standard report framework for Cabinet decision making for any future proposals to transfer in-house services to a new or existing entity, or for any new activity aimed at growth and/or commercial opportunity for the Council.

## 1. PROPOSED SCOPE

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Over a number of years the Council has secured delivery of its services through a number of different arrangements. These have ranged from wholly owned companies of the Council, joint venture partnerships, and charities through to private outsourced arrangements. The list of companies in scope for the review are as follows:

- Peterborough Limited
- Blue Sky Peterborough
- Empower Peterborough
- Opportunity Peterborough
- Peterborough Investment Partnership LLP
- Medesham Home LLP
- NPS Peterborough Ltd
- Peterborough Museum and Art Gallery Trust
- The Mayor's Charity
- Peterborough HE Property Company Ltd
- Smart Manufacturing Alliance Ltd

## 2. COUNCIL OWNED COMPANY REVIEW

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As part of this work we have commissioned CIPFA to undertake a review of our company and wider commercial portfolio. CIPFA will review each of the companies in turn according to a pre-determined priority based on a range of factors including risk. They will provide an independent analysis of each company including performance, financials, strengths and weaknesses, and the Council's exposure to risk. Where appropriate and where the documentation exists, CIPFA will also review the original business case and commercial and financial justification for the companies to ensure that the original tenet for establishing each company is based on a sound set of principles.

This work will inform individual decisions on whether to maintain, revise focus, in-house or divest from Council companies. The companies under review will form part of a work package agreed between the Council and CIPFA.

## 3. COMPANY GOVERNANCE ARRANGEMENTS

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The Companies theme will focus on the development of Council policy with regard to executive and non-executive directors, establishing a clear role for senior officers through a Shareholder Unit function, ensuring all forms of parental support to companies within the group are subject to effective controls and clear decision making.

## 4. COMMERCIAL STRATEGY AND COMPANY RULEBOOK

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Where Council companies offer reasonable levels of assurance of future financial returns, the Council will seek to maximise this benefit through the development and application of an overarching Commercial Strategy. This will include an assessment of directly delivered charging activity and the treatment of surpluses generated by the companies. Existing and future requirements for Council funding and capital will be evaluated using a combination of risk profile, return on investment and prevailing market conditions.

We will formalise the work of companies and other commercial interests through the development of a Company Rulebook. The Company Rulebook will:

- Provide guidance on the key considerations when the Council is looking to establish new commercial ventures including the creation of new companies.

- Provide officers with a series of guiding principles including reference to existing professional body guidance (e.g. the CIPFA Code) as part of managing the oversight of the companies' portfolio.
- Provide the Shareholder Unit with a set of principles enabling it to provide the checks and balances required of good company oversight and sound commercial management principles.

## KEY OBJECTIVES

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- Provide greater visibility of company performance and risk profile of the wider Council group.
- To reduce overall complexity and simplify the management and oversight of all core Council activities by reducing the number or alternative delivery vehicles. (This needs to be undertaken with close alignment to the customer services strategy/model being deployed by the Council.)
- To strip out duplication of overhead and management costs by bringing core functions in-house where there is no imperative to maintain externalised delivery vehicles.
- To identify opportunities to generate capital receipts to the Capital Programme through divestment of interests in profitable activities.
- To establish robust shareholder controls and assurance mechanisms for those companies the Council maintains.

## KEY DELIVERABLES

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- Overarching Commercial Strategy.
- Establishment of a link between individual company performance and the Council's wider performance management system and production of corporate key performance indicators.
- Decisions on the direction for each company/commercial interest.
- Options appraisal and potential creation of a new Shareholder Unit.
- Review of the effectiveness of the Shareholder Cabinet Committee.
- Following the Public Interest Reports into the London Borough of Croydon and Nottingham City Council's EnviroEnergy, review the interface between each company's governance and decision making and the Audit Committee and the Scrutiny Committee for Growth, Environment and Resources.

## KEY RISKS

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- Loss of opportunity for financial returns as a result of decision-making delays.
- Over financial exposure where companies are struggling financially post-COVID.
- Lack of oversight and governance with regard to companies, resulting in the potential for financial and reputational damage to the Council.
- Medium to long term company performance (based on an independent review of each company's financials and up-to-date Business Strategy and business plans).





## THEME THREE Governance and Culture

Delivery of the Improvement Plan is dependent upon a number of interrelating factors, not least of all is having an organisational culture and strong governance that supports the need for the change, understands what is required alongside an absolute determination to succeed. Whatever plans are put in place can only succeed when everybody is determined to adopt the behaviours required and to live the new culture. The most pressing need is a culture that is focused on performance, delivery and accountability. Immediate work will concentrate on enabling the organisation to focus on this.

There is a positive base to start from, the External Governance Review led by Andrew Flockhart paid tribute to the political will of the Leader and Cabinet to take ownership in resolving the financial challenges. The Review also recognised the positive and open relationship between Councillors and Officers and the willingness to learn. However, the review recognised the past lack of challenge and scrutiny from members and officers alike has contributed to the financial situation being allowed to deteriorate.

All parts of the Council's system of governance (including Full Council, Cabinet, Scrutiny, Audit and regulatory committees) must play their part effectively, enabling the Council to fulfil its ambitions for the city and its duties to the public.

**This will require a shared commitment by all Members in Full Council, strong and decisive leadership by Cabinet, constructive and well-informed Scrutiny, and inquisitive and challenging Audit. All the right parts of the machinery of governance exist - they need to work together better to help the Council get through this very tough period**

### GOVERNANCE AND CULTURE WORKSTREAM 1 MEMBER GOVERNANCE AND ASSURANCE

The external assurance review report on Governance asked us to commission and support a development/support programme for councillors, particularly the new Leader and Cabinet, the Chairs of the Scrutiny Committees and the Audit Committee and for the leaders of all the political groups of the Council. The report also highlighted the need for us to strengthen the leadership of our Audit Committee and to elevate the role of the Audit Committee's annual report to Full Council so that a considered discussion could take place regarding any concerns raised and a robust response given.

We are committed to ensuring members have the structures, knowledge and skills needed to effectively scrutinise and challenge the Council's financial decisions, governance and procedures. We will review existing governance structures to see if improvements can be made and work with CIPFA to conduct a skills analysis assessment of both the Audit and Scrutiny Committees in order to deliver a targeted and appropriate training and development programme.

## 1.AUDIT & ACCOUNTS COMMITTEE

The governance assurance report found that our Audit Committee was not currently scrutinising the Council's financial challenges with sufficient urgency or focus or paying sufficient attention to the strategic risks and issues facing the Council or the Council's MTFS processes.

CIPFA has been provided with details of the training that was provided in-house by the S151 officer and his team and the Internal Auditor for the Audit Committee after the May elections in 2021. Committee members have also all received the CIPFA handbook "Audit committees - Practical Guidance for Local Authorities and Police (2018 Edition)" which sets out best practice and helpful checklists when reviewing the effectiveness of audit committees.

The DLUHC Finance Review report recommended that the membership of our Audit Committee should be strengthened by the appointment of external independent members in order to improve its expertise and independence and this is in line with industry best practice of every local authority audit committee having at least one independent member. A report recommending the recruitment of independent members of the audit committee, one of whom would chair the Audit Committee, will go to the Special Council meeting on 16 December for approval. This will include draft job advertisement and amended terms of reference for the Audit Committee. CIPFA will be supporting the Council on the recruitment process.

If approved by Council on the 16 December 2021, the roles will be advertised immediately with a view to interview in the second week of January 2022. The induction process will then commence immediately, subject to ratification of the appointment at end of January 2022 at Full Council.

## **2. SCRUTINY COMMITTEES**

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The Council has four Scrutiny Committees – Adult’s and Health Scrutiny Committee, Children and Education Scrutiny Committee, Communities Scrutiny Committee and Growth, Environment and Resources Scrutiny Committee - which also meet jointly to scrutinise budget proposals.

The Governance assurance report found that the checks and balances that should be offered by the scrutiny role were not strong enough and did not focus enough on the strategic dimensions of our challenges, in particular the MTFS and annual budget plans. There needed to be a stronger willingness to challenge the assumptions and information presented to them.

CIPFA has been asked to consider how best to strengthen the skills and approaches of members of the Scrutiny Committees and are considering this against the training that has already been delivered.

We will make the necessary changes to our Constitution to incorporate the role of the Improvement and Assurance Panel in the Council’s governance structures, including reporting to Full Council every six months and the Cabinet’s response to its recommendations. The Growth, Environment and Resources Scrutiny Committee will review the Cabinet’s actions and report on progress directly to Full Council every six months.

## **3. CONSIDERATION OF MOVING TO “ALL OUT ELECTIONS” EVERY FOUR YEARS TO ADD STABILITY**

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The Governance Assurance report recommended that the Council formally consider a report on moving to all out elections every four years instead of electing by thirds by March 2023, via an evaluation process. The Council is also required to discuss the outcome of the evaluation with DLUHC. The report recommended this change in order to bring stability to our decision-making and encourage the development of more strategic long-term solutions. The timetable set out the Governance Assurance report states that the formal evaluation of the option of a four-year electoral cycle should be initiated by July 2022 and Full Council should consider a report outlining the results of the evaluation process by March 2023. Any such decision would require a two-thirds majority of members voting in favour.

A report is therefore due to come back to Full Council in 2022 asking it to consider the recommendation to commence an evaluation process on the proposal to change from elections by thirds to all-out elections every four years.



### 3. RISK MANAGEMENT

A good foundation for risk management exists, although the organisation has been traditionally risk averse. In order to deliver the Improvement Plan, we may need to embrace a higher level of risk appetite.

RISK APPETITE	DESCRIPTION
<b>Averse</b>	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
<b>Minimalist</b>	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
<b>Cautious</b>	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
<b>Open</b>	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
<b>Eager</b>	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Our risk management approach and methodology is articulated within the Risk Management Policy and overseen by the Risk Management Board. Key risks are recorded using the Council’s online project management tool (POWA) and the Risk Management Board provides formal oversight and challenge of corporate and departmental risk registers. There is good risk management representation across all Directorates and management engagement in the risk management process.

To oversee the delivery of the Improvement Plan, each Theme will have a series of actions which will be risk assessed and regularly monitored against. Based upon a standard 5 x 5 risk matrix we will ensure consistent treatment and identification of risk at all levels of the organisation. Links will be included if there are clear synergies between a risk in a department and the Improvement Plan so that they are recorded only once to avoid duplication.

Senior Responsible Officers (SROs) and delivery teams will be accountable for ongoing reviews ensuring that risks are identified early, and mitigating actions are developed at pace to get projects back on track. By using POWA as the central repository for all risks this will enable greater coordination and ability to produce regular reports to Officers and Members.

#### GOVERNANCE AND CULTURE WORKSTREAM 2 PERFORMANCE MANAGEMENT

Monitoring performance at an organisational and individual level is a vital component of delivering the Improvement Plan.

There will be appropriate mechanisms to recognise, applaud and share success whilst also recognising that there has to be consequences for under performance. Every member of the workforce has a role to play and is responsible and accountable for the work they do. This will be supported by consistent process, systems and messaging across the organisation.

The Independent Assurance and Improvement Panel will provide external advice, challenge, and expertise to us in driving forward the development and delivery of our Improvement Plan and they will provide assurance to the Secretary of State on our progress on delivering the plan.

To provide assurance to the Improvement Panel and the Council, that the Improvement Plan is on track to deliver the agreed outcomes, we will implement a robust monitoring process. Monitoring will focus on the successful achievement of key milestones, monitoring of financial implications, and the identification and management of risks and issues across each theme.

## 1. BUSINESS ASSURANCE AND PROJECT MANAGEMENT OFFICE

A Business Assurance Function will be established which will work hand in hand with each of the theme and action leads and other corporate functions like finance, assets and communications to ensure the delivery of the Improvement plan. It will:

- Act with the authority of the Chief Executive, the Cabinet and the Improvement Panel.
- Bring together, in one place, a high level plan of all improvement activities with focus on improving the immediate financial stability of the Council within the next six months and consequently holding “one version of the truth”.
- Act as a ‘critical eye’ by providing scrutiny and proactively challenging risks, issues and variations from plans across Improvement Plan activity.
- Provide organisational wide support on governance, project portfolio management best practices, tools and standardised processes.
- Provide regular reports to Leadership team and Independent Improvement Panel.
- Work with senior responsible officers (SROs) to develop six monthly delivery and resourcing plans and the necessary support to secure appropriate resources required to deliver.
- Track benefits, ensuring that activity delivers to the intention of the Improvement Plan.

**The Business Assurance Function will produce a report for each meeting of the Improvement Panel which will contain the following:**

- Summary of the key deliverables and milestones against the plan.
- Things that have been achieved early – things that are late with explanation.
- Key risks and mitigating factors/status of risks etc.
- A financial summary explaining achievement of financial performance in the last period and a forecast outlook for the next period.
- Plans for the next period.
- Other matters arising to be brought to the attention of the Panel.

## 2. INDIVIDUAL PERFORMANCE AND ACCOUNTABILITY

In order to bring about the requisite culture change individual goal setting and performance management will be scrutinised and altered as necessary. This work will be underpinned by a cultural transformation programme, jointly delivered with partners. This will be designed around driving the behaviour change essential to delivering the Improvement Plan and foremost, making the Council more financially sustainable and will include:

- A clear set of organisational goals which hold the Chief Executive and senior officers to account for their delivery and which are embedded throughout the organisation, so everybody is clear what they are and their role in achieving them.
- A performance management framework has recently been introduced that focuses on outcomes. The governance of the framework will be reinforced to ensure that it is consistently applied and is focused on both outcome and delivery. The performance framework will focus on the key priorities and should be updated on an annual basis.

- On the appointment of the new CEO, developing a culture of individual accountability and a more forensic focus of what we do and why we do it. We need the whole organisation to have “change conversations” in order that we can progressively change the way we work.

## **GOVERNANCE AND CULTURE WORKSTREAM 3 CAPACITY AND CAPABILITY**

The impact of this plan and the level of change on the organisation must not be underestimated and it will place capacity strains in areas of the Council that are already resource constrained. Such issues will have to be managed and additional skills and experience brought in if and as required. A key outcome from this stream of work will be to equip the Council’s officers with the experience and toolkit to deliver change within their teams, using external resources as and when required.

Delivery of the plan is heavily dependent on the organisation having the capacity and capability to both deliver it and to ensure it is sustainable. The Council will critically review its structure to ensure it is able to meet the demands of the plan, has the appropriate skills deployed in the right places and where skills are deficient has a plan to close the gap.

### **1. ORGANISATIONAL STRUCTURE**

There has been significant change in leadership across the Council – for both Members and officers – which will continue into 2022. To ensure that the council is well equipped for the change and improvement it will undertake over the next two years, a review of senior roles and their portfolio of accountabilities has been agreed in phase one of the budget.

With the arrival of the new chief executive in February 2022, the organisational structure will be rigorously examined to ensure it is best suited to deliver the plan. Changes will be made where necessary and, in part, will be influenced by the outcomes of the service reviews.

The review will examine resources, spans of control and layers within departments to ensure that it can work in the most effective manner, be staffed at a level which allows for focus on the key deliverables, avoids duplication and ensures that accountability is clear and understood.

The structure must be continually evaluated against the Improvement Plan and assurance given that it will deliver the plan, whilst balancing this with the resource consumed by continuous structural change. As with other areas of the plan, change will only be made where it has a positive impact on outcomes and delivery of the Improvement Plan.

### **2. SKILLS AND CAPABILITY**

The skills requirement falls into two groups, firstly the skills that are needed immediately to ensure the plan can be met, most significantly within the first six to twelve months, ensuring that financial stability is achieved. Secondly the skills for the slightly longer term to close the gaps identified further on in this Improvement Plan and to ensure the future is sustainable.

The scale and breadth of the work now needed to deliver the Improvement Plan is significant and will require a review of capacity, skills and delivery options, some of which will be addressed by the service reviews. Urgent prioritisation of outcomes and activity through the new Corporate Strategy will be undertaken and a clear resource plan against these priorities will be developed. This resource and delivery plan will be considered in six-month cycles, so that capacity is developed and used as it is needed - not too early or too late.

Against this resourcing plan, we will determine if we have the right skills, experience, and attitudes in the right numbers to sustain the delivery of the plan. Gaps, where identified, will be accompanied by a plan to close them. We recognise that this is likely to be a two phased: the requirement to bring in short term resource to provide support to deliver the plan, followed by the need to grow skills for the future.

Not immediately, but over time, a skills development programme will be put in place and will include a succession planning exercise, which will give additional information on skills strength, future needs and recruitment priorities.

### 3. IMMEDIATE CAPACITY DEMANDS

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Over the last three years, the focus of much of the Council's corporate resources has been on creating governance and systems to strengthen financial performance and control and on fixing some foundational issues in IT contracts and systems. Work on the Financial Improvement Programme has consumed what limited change capacity the Council has.

Services have put forward proposals for incremental improvement and, overall, these have been delivered. However, as noted in both the LGA Peer Review and DLUHC reports, the organisational capacity to deliver fundamental transformational change is very limited – both in service teams and in corporate services.

The LGA and DLUHC reports identified some key areas where additional capacity is needed urgently. The first of these was the appointment of a single Chief Executive to focus on Peterborough City Council. This recruitment has been successfully completed, with the new Chief Executive starting in January 2022.

The LGA Peer Review also highlighted the need for a greater strategic focus on place shaping, engagement with communities and work with partners across the city and system. The report recommended that additional strategic capacity was required to link inclusive growth and economic development with people services, demand management and community work. The accountability and skills required to strategically link place and people will be considered as part of the review of the corporate management team.

There is currently no internal resource for business assurance, programme and project management, policy development, transformation, business analysis, design or behaviour change as these functions sit within outsourced arrangements. It is well understood that this contract no longer meets our needs and urgent work is required through the contracts theme to release the funding to build internal capability to deliver transformation and improvement.

The final area highlighted in all reports is the need to carefully consider and plan for the impacts of the pandemic, making sure that the new Corporate Strategy, Improvement Plan and service plans capture additional skills and activity required to respond to increased and new demand.

### KEY OBJECTIVES

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- Strong governance and assurance from Members, Officers and the Independent Improvement Panel
- Risk appropriately identified and managed
- All stakeholders from public through to DLUHC can transparently see performance against the Improvement Plan.
- Clear ownership and accountability of delivery, performance and risks
- Assurance that the overarching Improvement Plan is being delivered against the stated commitments, milestones, outcomes and that benefits realised in each programme are monitored
- Ensuring the current structure can meet the plan
- Addressing existing capacity and capability gaps to deliver the Improvement Plan

### KEY DELIVERABLES

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- Training for Members and Officers
- Business Assurance and Project Management Office (PMO) function established
- An organisational structure fit for the task to deliver the key outcomes of the Plan in the next six months
- Detailed delivery and resourcing plans developed with skills needed identified and secured

### KEY RISKS

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- Unable to engage the skills needed
- The organisational review is unsettling, and some key skills and experience leave the organisation
- Underestimating the amount of resource required to deliver the plan
- Lack of clarity on what is required, who is accountable for delivery and when it has to be delivered by
- Ineffective monitoring of performance and risk leads to plan slippage and potential additional expense

## GLOSSARY

TERM	DESCRIPTION
RIT	Rapid Implementation Team is an officer led group which ensures all budget related initiatives are implemented and effective including: savings and income generating initiatives, capital programme, HR and finance controls, debt management and risk.
CMT	The Council's Corporate Management Team, is otherwise known as the CMT. This structure chart outlines the Council's management team
FSWG	Financial Sustainability Working Group is a cross party member working group, established to review the Council's financial position, develop sustainable budget proposals and consider the types of decisions that must be taken. In order to achieve financial sustainability. This will include Involvement of all parties, and will play a vital role in the delivery of financial sustainability for the Council.
CPF	Cabinet Policy Forum is an unofficial (non-public) meeting of Cabinet which reviews the Council's financial position, develops sustainable budget proposals and considers the types of decisions that must be taken In order to achieve financial sustainability.
DLUHC	The Department of Levelling up, Housing, and Communities is the government department that sets policy on supporting local government; communities and neighbourhoods; regeneration; housing; planning, building and the environment; and fire and rescue, in addition to a wider levelling up agenda. It has an important role in supporting local development and promoting economic growth and aspires to create great places to live and work, and to give more power to local people to shape what happens in their area.
CIPFA	CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance, which issues a code of practice and guidance and advice to finance professionals.
MTFS	Medium Term Financial Strategy (MTFS) is a key strategic document which expresses the delivery of the corporate strategy in monetary terms. It takes account of all the various factors and influences that may impact the Council over a multi-year period. An MTFS ensures that we have a clear policy framework to enable us to allocate funds in accordance with our priorities as we go through the service planning and budget setting process.
MTFP	Medium Term Financial Plan is a short term, financial plan, usually covering a one year period.
BUDGET	A statement which reflects the Council's policies in financial terms and which sets out its spending plans for a given period. The revenue budget (spending other than capital spending) is finalised and approved in March before the start of the financial year on 1 April. Actual spending is monitored against the budget each month as part of the Budgetary Control Report (BCR) Process and reported to the Corporate Management Team and Cabinet.
BCR	The Council's Budgetary Control Report (BCR) is the name of the revenue budget monitoring process. This is there the Council's financial performance is monitored and reported on by the finance team and the Budget Manager, on a monthly basis.
FINANCIAL REGULATIONS	The regulations outlining the officer's responsibilities relating to financial matters. <a href="https://shorturl.at/epvIJ">https://shorturl.at/epvIJ</a>
THE COUNCILS CONSTITUTION	The Council's constitutional document which;- allocates powers and responsibility within the Council;- sets out delegations for its Executive including the cabinet members and delegation to officers;-sets out the rules of procedures, codes and protocols. <a href="http://shorturl.at/czUW8">http://shorturl.at/czUW8</a>
CPCA	Cambridgeshire and Peterborough Combined Authority.
POWA	The Council's online project management tool (POWA) Microsoft Project Online is a cloud-based Project Management service product that is delivered through Office 365.
TOM	Target Operating Model.
TA	Temporary Accommodation, used to provide short term housing when a family or individual has presented as homeless to the Council.



## **Review of Cipfa Recommendations and progress to date:**

CIPFA recommended that the Council should:

### **CAPITAL / ASSET MANAGEMENT:**

- **Determine on a disposal of assets programme designed to generate a capital receipt within the 2022/23 financial year that avoids the need for a further capitalisation directive and makes a significant contribution to the Council's reserves.**

**Action taken:** The asset disposal programme was halted by the Interim Director of Resources in January 2022 pending a full review. The Interim Head of Property Services identified sufficient capital receipts to meet the 2021/22 requirements, and a plan to generate the required capital receipts for 2022/23 and beyond. A new Asset Management Strategy and Plan will be developed by the end of May 2022, incorporating a new Asset Disposal Schedule. The aim is to ensure the Council invests in the assets required to support the Capital Programme and disposal of those that don't. The schedule will include a phased disposal of Council owned farms.

- **Fully detail the business case for the Transformational Capitalisation including reviewing the intentions for the earmarked reserves before any further support is agreed and as part of this the Council needs to engage an independent body to provide robust challenge and focus on the development of that plan.**

**Action taken:** A capitalisation direction was not required for 2021/22, and no application has been made for 2022/23. We do not intend to use the facility of flexible use of capital receipts for Transformation in 2022/23. This recommendation can therefore be closed.

### **CHILDREN'S AND ADULT SERVICES:**

- **Undertake a comprehensive review of the Children's service in relation to:**

- o **The approach to demand management**

- o **Linked to the above, comprehensive modelling of future demand pressures and costs (or a full review of the detail provided for the MTFS)**

- o **Forensic review of expenditure**

**Action taken:** CIPFA and Peopletoo have carried out detailed Services Reviews in both adults and children's and the outcome of those reviews has fed into the MTFS process and areas for cost avoidance or savings have been identified and are being worked upon and fed back through the savings board, IIP Board and IIP Panel.

Areas identified for children were more in-house foster care, reunification and children's social care income. CIPFA are currently undertaking further work on these. Children's services are currently red and we are still working on these with Cipfa.

We have also identified further stretch targets in ASC, such as Direct Payments. We are carefully monitoring the bottom line in terms of P & C forecast outturn as with a demand led budget there are many factors that impact. We have also identified further stretch targets in ASC, such as Direct Payments. Adult Social Care current has a target of 300,000 in this area. ASC did over deliver on this target last year but this was partly a result of the pandemic and people not being able to access



support. Therefore a stretch target of an additional 500,000 has been set. This will be monitored through the People and Communities Delivery Board and the Savings Board.

The reviews and deepdive exercise concluded that Children's Services were maximising opportunities to contain cost and demand, and this is shown in the relatively low levels of spend and children looked after compared to other Councils. PCC could not generate any further savings in this area. A forensic review of expenditure was also completed as part of this process and will continue on a case by case basis. Whenever a placement or care package is requested, this goes through a comprehensive panel process which CIPFA/ Peopletoo had the opportunity to observe and complete a desk top review of.

It is recognised that there is a need for a much more targeted focus on Fostering. The ambition is to significantly increase in-house fostering to the point where it can really impact on placement sufficiency and availability for children with additional needs; older young people and young people stepping down the care continuum - and thereby budgets. We will be bringing a business case forward shortly around this issue and would see this as a significant area to focus on going forward.

Areas identified for adults were direct payments, front door, hospital discharges, reablement, technology enabled care and adult's social care income. Adult's social care income has been verified by CIPFA as an area where there is no potential for saving, leaving a £500k shortfall in savings delivery. All other areas of adults are currently amber. Alternative plans to cover the shortfall will be presented to the June Savings Board meeting.

The reviews and deepdive exercise in adults concluded that opportunities to contain cost and demand were being maximised and this is evidenced in the relatively low levels of spend, including well below average placement costs, e.g. domiciliary care. However, further opportunities to maximise cost avoidance were identified. This included increasing the use of prevention and early intervention services, e.g. Technology Enabled Care (TEC) and reablement to reduce, delay or prevent the onset of more costly levels of care. This included a targeted focus in areas of hospital discharge and early help.

## **HOUSING, PLANNING AND DEVELOPMENT AND CENTRAL SERVICES:**

- **Undertake Service reviews of Housing, Planning and Development and Central Services where there is over average spending and Adult Care services to establish the extent of the demand pressures.**

**Action taken:** A Cipfa-led deepdive into our housing services has concluded its first phase, identifying three broad areas of focus and a proposed new ambition for the service. Two internal officer workshops have been held to socialise these findings, and subsequent sessions are being arranged with Members and external partners. The deep dive has helped to shape our thinking around future structural arrangements and the strategic role the council should play as a housing authority. The short-term financial pressure that has been included in the 2022/23 budget linked to a housing restructure have now been. The amount the council spends on temporary accommodation is still too high, and the review sets out headline arrangements for how this might be dealt with. Critically, the council will be developing a new Local Plan and Housing Strategy and will adapt its role to become an enabler rather than a provider. These changes will help us to ensure we are in greater control of our spend and commissioning arrangements.

The review of the Planning service is progressing at pace, following receipt of the LGA Peer Challenge report into the service. Six broad recommendations were identified in that report with multiple sub recommendations, and a delivery plan has been developed and is being implemented to drive these and other changes forward. An interim assistant director for planning has been recruited to lead the



work and to reunify the service which is currently split across two departments. All funded and established vacant posts have been filled, and immediate changes have been made in those parts of the service which the LGA report described as being in crisis. A development team whole-council approach to major schemes is being piloted alongside a review of our use of Planning Performance Agreements, both to ensure we identify the true costs of supporting growth and regeneration from a Planning perspective and drive up our income. We are also establishing a more resilient way to identify and secure external grant and other investment funding, including that available via the Combined Authority or direct from Government. The overall aim of this review and change programme is to ensure the end-to-end Planning service is able to enable and facilitate the level of growth, regeneration and inward investment necessary to support our long-term financial sustainability.

All of the above to be undertaken within 6 months (i.e. April / May 2022), although appendix to report indicates earlier date.

## **FINANCIAL MANAGEMENT:**

### **• The Council should continue its expenditure controls - Timescale immediate**

**Action taken:** A revenue and capital spending moratorium was implemented with immediate effect. The revenue moratorium, combined with improved external funding, resulted in a significantly improved financial position and the requested capitalisation direction in 2021/22 was therefore not needed. At Month 10, the projected overspend position reduced to £0.7m. As at 31<sup>st</sup> March, the financial position has improved significantly; the outturn position is a £4.6m underspend and there is no gap to be funded from reserves.

Tight revenue budget controls remain in place for 2022/23, however, a formal moratorium is not in place at this stage. These controls include:

- An employment panel reviews all recruitment and agency requests.
- Business case requirement for all expenditure in excess of £10k - providing additional scrutiny and challenge with regular review from the Heads of Finance for the directorates. Signed off by the S151
- All Agresso approvals over £1k signed off by the DS151. This will soon be transferred to the Procurement Team as part of the roll out of the Agresso Procurement module.
- All controls recognised as part of the Improvement Plan
- Departmental Management Teams (DMTs), together with the Corporate Leadership Team (CLT), review the revenue and capital position monthly, including debt management and risks. Appropriate action is taken to address budget variances and reported in monthly Budgetary Control Reports to Cabinet.
- Enhanced officer budget governance, with a new Capital Programme Board, Savings Board and Procurement Board, overseeing delivery and monitoring savings.
- Enhanced member governance structure, in particular around the Financial Sustainability Working Group (FSWG) to ensure involvement and engagement from all political parties, with a common goal of achieving financial sustainability for the Council.

The controls will be reviewed in due course as part of the work on the Improvement Plan.

The Capital Moratorium remains in place. In early April, the S151 Officer issued a reminder of this instruction to Directors and their key Heads of Service that any capital expenditure that is not legally required, and that is funded by Council Resources must come through the Capital Programme Board

for consideration. This is to limit capital expenditure funded from borrowing and will limit new expenditure whilst a full review of the capital programme is completed. This review is required as part of the savings target identified in the MTF5 as part of both Phases 1 and 2, as well as delivering the revised Capital and Treasury Management Strategies.

A new Capital Strategy was approved as part of the 2022/23 budget setting process. The strategy says that capital expenditure should be funded from grant / capital receipts wherever possible, and new borrowing should only be undertaken in exceptional circumstances. The capital moratorium remains in place while a full review of the capital programme is undertaken, to ensure all schemes and projects are current and essential.

- **Undertake a review of the Council's external commercial relationships and in particular a review of the need for and future role of a corporate shareholder. – Timescale 6 months**

**Action taken:** Cipfa are undertaking a full review of commercial relationships, we are currently awaiting reports.

- **The membership of the Council's Audit Committee should be strengthened by the appointment of external independent members to improve its expertise and independence - Timescale 3 months**

**Action taken:** Three new independent audit committee members have been appointed, including an independent chair. The strengthened audit committee has met twice, and the new members have provided robust challenge to the Audit Plan, the structure and remit of the internal audit team and the Treasury Management Strategy Statement (TMSS)

## **ASSETS AND COMMERCIAL:**

- **Immediately halt spend any capital spend funded by borrowing for which there is no legal commitment and there should be a detailed review process of all schemes. – Timescale immediate**

**Action taken:** Fully implemented, as set out above. The capital moratorium remains in place for 2022/23, as confirmed by corporate communication. The Interim Head of Property Service is currently reviewing all assets and preparing a new asset disposal programme to generate capital receipts to repay debt and fund future capital expenditure, expected to be completed by the end of May.

- **Verify valuation of assets individually, including rural estate, and carry out detailed options and market appraisal of all assets to establish asset disposal list. - Timescale 1 month**

**Action taken:** Fully implemented as set out above. There are currently no proposed asset disposals pending a full review of all assets, including the rural estate. A new and independent valuation was obtained for the Northminster deal, which significantly improved the proposed price from £1.5m to £4.1m

- **Investigate difference in valuation data of £118m and develop consolidated list of assets with property details, current valuations and income to enable a disposals strategy to be developed. – Timescale 1 month**

**Action taken:** NPS have been notified of the Council's concerns around the quality of the valuations for accounting purposes, and the overall relationship between PCC and NPS is under review. No disposals will be undertaken without an up to date professional valuation.

- **Complete valuations on the 2023/24 disposal list so the receipts planned can be established. - Timescale 1 month**

Cecilie Booth, May 2022

**Action taken:** As above – this is work in progress and an updated disposal list for will be completed by the end of April 2022.

- **Sign no new Farm Business Tenancies, so that agricultural land can be sold free of tenancies where possible. - timescale immediate**

**Action taken:** No new farm tenancies are signed.

- **Make no further capital investment in farms such as new grain stores. - timescale immediate**

**Action taken:** No new capital investment in the farms will be approved.

- **Assess current values of retail assets and options for income potential and/or alternative uses. - timescale two months**

**Action taken:** This is part of the overall review of the asset base.

- **Investigate the commercial basis for Peterborough Investment Partnership (PIP) to establish the value of assets held by the joint venture, future capital requirements and options for realising value for the Council. – timescale one month**

**Action taken:** Cipfa are currently looking at the PIP and we are awaiting the report. Two members have stepped down as directors of the PIP Board and replaced by two officers. Further work is being undertaken.

- **Verify valuation of assets individually, including rural estate, and carry out detailed options and market appraisal of all assets to establish asset disposal list. - Timescale 1month**

**Action taken:** Fully implemented as set out above. There are currently no proposed asset disposals pending a full review of all assets, including the rural estate. A new and independent valuation was obtained for the Northminster deal, which improved the valuation from £1.5m to £4.1m

- **Complete valuations on the 2023/24 disposal list so the receipts planned can be established. - Timescale 1 month**

**Action taken:** As above – this is work in progress and an updated disposal list for will be completed by the end of May 2022.

- **Investigate the commercial basis for Peterborough Investment Partnership (PIP) to establish the value of assets held by the joint venture, future capital requirements and options for realising value for the Council. – timescale one month**

**Action taken:** Cipfa are currently looking at the PIP and we are awaiting the report.

### **MEDESHAM HOMES:**

**The housing joint ventures of Meacham Homes and Medesham Homes should be reviewed to understand the potential for realising capital receipts.- timescale three months**

**Action taken:** Cipfa are currently reviewing the governance arrangements for MH and the links with other Council related companies, e.g. PIP. The review will assess the extent to which Medesham has delivered against its primary objectives, and consider the viability and options for MH going forward based on a realistic assessment of potential funding streams.

### **AGILE WORKING:**

Cecilie Booth, May 2022

- **Implement agile working policy to reduce office space required at Town Hall and Sand Martin House by 30%- timescale three months.**

**Action taken:** Continuation of the laptop roll out to support staff to work more productively in a hybrid manner.

Meeting rooms have been checked to ensure the correct equipment to facilitate hybrid meets is in place.

Engagement with managers continues to ensure we reduce the office space where appropriate, understanding that there isn't a one fits all approach, and the needs of the services are met within the buildings. We have moved away from applying desk ratios, replacing this with agreements with teams to reduce desk space where possible.

The buildings are currently being mapped out to reduce the office space required allowing staff more collaborative areas to work from as requested in the team charters.

Work is being commissioned to improve ventilation etc at the Town Hall to ensure Council meetings can resume.

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 9</b>
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Executive Director of Resources and s.151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Emma Riding, Budget Planning and Reporting Manager	Tel. 07790944655

<b>BUDGET SETTING PROCESS OVERVIEW</b>
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<b>R E C O M M E N D A T I O N S</b>	
<b>FROM</b> : Cecilie Booth, Executive Director of Resources and s.151 Officer	<b>Deadline date</b> : N / A
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Consider and note the Councils approach to budget setting provided in this report</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee to provide an overview of the Council Budget setting process, as requested at the meeting on 20 June 2022.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The report is for the Audit Committee to consider under its Terms of Reference (agreed at Full Council) at 2.2.2.14

- To review any issue referred to it by the Chief Executive or a Director, or any Council body.

2.2 The purpose of this report is to provide an overview to members of the Councils current approach to setting the budget.

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet	-
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#### 4. BACKGROUND AND KEY ISSUES

4.1 In April 2022 a [report](#) to Cabinet outlined a proposed budget setting process. This was produced on reflection of the challenges presented during the 2022/23 Budget setting and after considering feedback from officers, members and the independent improvement and assurance panel a number of recommended changes to the current process were proposed. These are summarised as follows:

- Setting a balanced budget in a timely manner, which will include bringing forward the current timescales operated.
- The 2023/24 budget will flow from the Medium Term Financial Strategy and the CEO’s vision for a Sustainable Council.
- To review the remit and terms of reference of the Financial Sustainability Working Group (FSWG).
- To provide additional training and workshops for members .
- The finance team will work with opposition members to prepare an alternative budget.
- To Review the process for consideration of Budget Amendments .
- Future budget reports will be presented in a more user friendly format.

As a result the Councils [Budget Policy Framework Rules](#) was also updated and approved by full Council in July. The Budget Policy Framework Rules sets out the council approach to setting the budget including timescales, governance arrangements and the requirements in respect of any proposed budget amendments or opposition budgets.

One of the key changes has been to present a revised Medium Term Financial Strategy (MTFS) on a Quarterly basis. Which will provide Cabinet an updated MTFS based on updated financial assumptions in respect of the revenue and capital budgets and the latest progress towards delivering a sustainable and balanced budget. With the final Budget report and associated financial strategies being recommended to Council annually in February.

The Following table outlines the timeline for this:

Timescales	Update
June/July	MTFS Quarter 1 Update
September	MTFS Quarter 2 Update
December	MTFS Quarter 3 Update
February	<p><b>Council Budget Setting meeting:</b>            MTFS Quarter 4 Update (if required)            Treasury Management            Capital Strategy            Reserves Strategy            Budget Setting Report, including:</p> <ul style="list-style-type: none"> <li>• Council Tax Resolution</li> <li>• Revenue and Capital Budgets for the following year</li> <li>• Section 25 Statement</li> </ul>

#### Governance Arrangements

All Budget Proposals including Savings, investment and revised financial assumptions are considered within the following groups before being included within the final report:

- **Budget- Corporate Leadership Team (CLT)**- made up of the Councils Corporate Directors and Finance Officers as support
- **Cabinet Policy Forum (CPF)**- informal meeting of Cabinet
- **Financial Sustainability Working Group (FSWG)**- Cross Party working group focussed on supporting the delivery of financial sustainability for the Council. The Term of Reference for this group are included within the Budget Police Framework Rules.

Each of the MTFS quarterly updates and the Budget Setting Reports are considered by the Meeting of Joint Scrutiny Committees, where recommendations and feedback can be discussed and made to Cabinet for consideration.

As outlined within the Budget Policy Framework Rules, opposition members are able to propose an alternative budget or budget amendments but this must be within the timescales and rules as set out within the constitution.

The Council has a legal responsibility to set a balanced budget by 11 March each year. The above timetable sets out an approach which ensures compliance with this.

### Current Approach

The Council published the MTFS 2023-26 Quarter One report in July, which outlined the following budget gap:

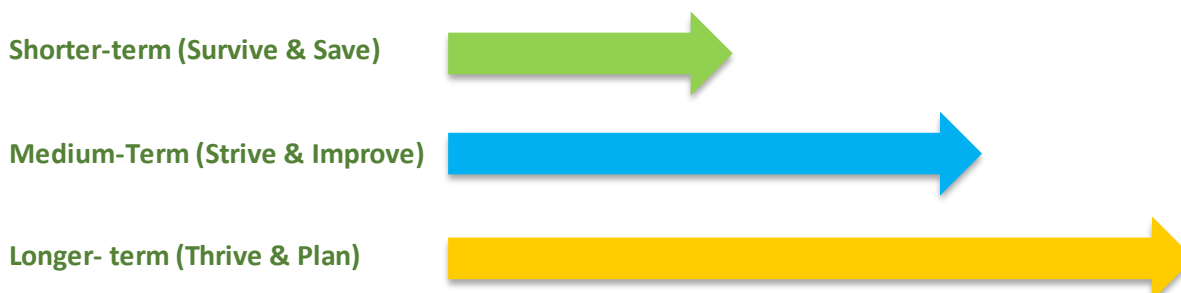
Budget Gap	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Funding	181,883	198,007	205,763	211,994
Net Revenue Expenditure (NRE)	181,883	207,527	218,639	227,117
<b>Aggregated Budget Gap</b>	-	<b>9,520</b>	<b>12,876</b>	<b>15,122</b>
<b>Aggregated Budget Gap breakdown</b>				
2023/24	-	9,520	9,520	9,520
2024/25	-	-	3,357	3,357
2025/26	-	-	-	2,246
	-	<b>9,520</b>	<b>12,876</b>	<b>15,122</b>

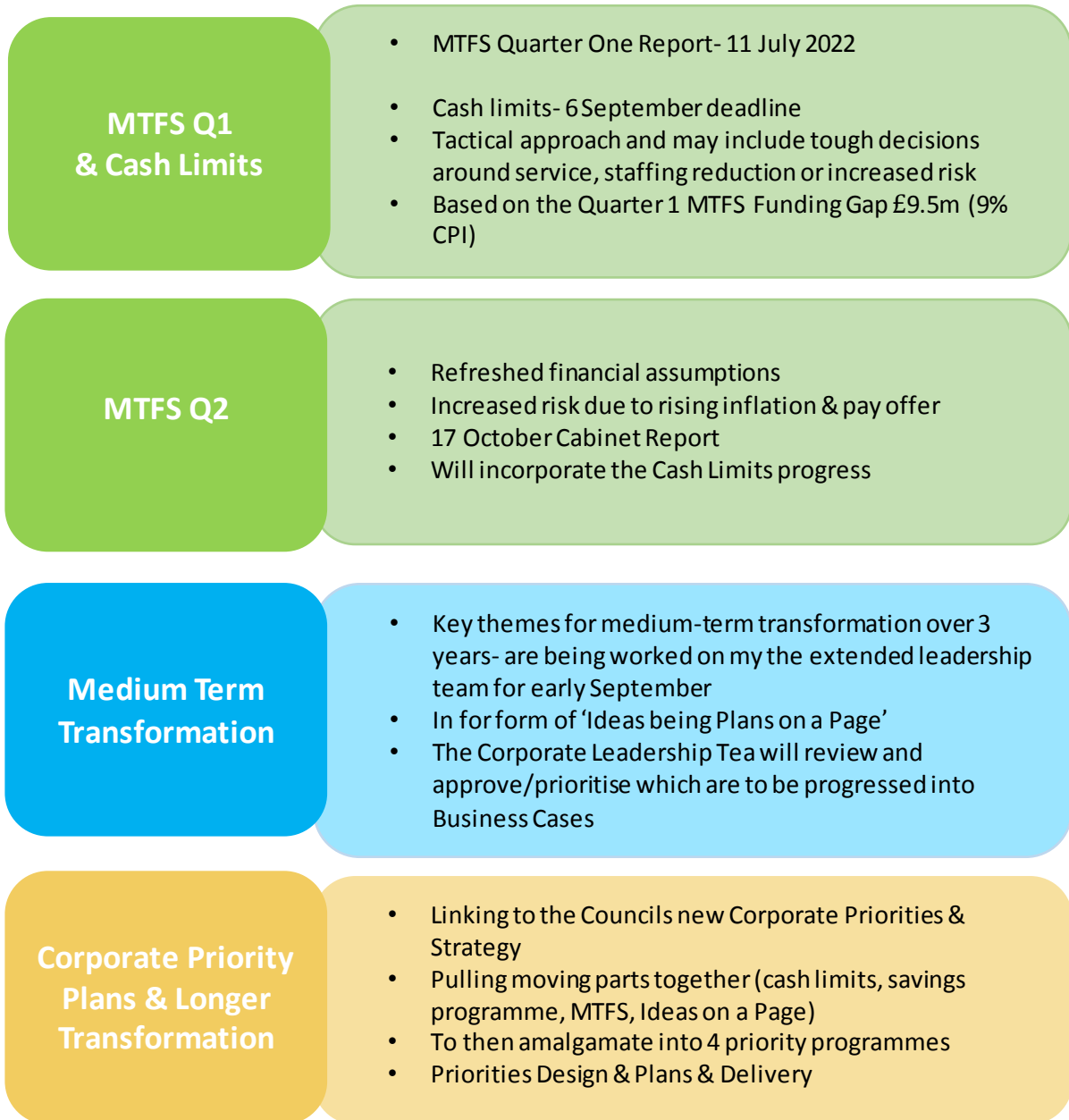
The Council is adopting a balanced approach to delivering financial sustainability. It is faced with delivering a challenging savings programme in the current financial year in addition to developing plans to meet the £9.5m budget gap in 2023/24. This will mean balancing the identification of shorter term savings which can be delivered in 2023/24, whilst at the same time considering plans for the medium and longer term which will achieve financial sustainability. Recognising these differing timescales a number of workstreams have been initiated by CLT to deliver this.

The short-term approach has involved setting cash limit targets across all departments. Over the summer officers have been working on plans to deliver their services within these, with these being ready for review in some CLT workshops early September.

For the Medium to longer term there have been a number of workshops with the Extended leadership Team, supported the Independent Assurance and Improvement Panel members. These have been set with a focus on identifying key cross cutting transformational opportunities across the Council, which could deliver medium to longer term financial benefits. Again the first stage of these ('ideas on a page') have been requested for early September and will be reviewed by the CLT before being progressed to the next phase to ensure ideas are inline with the Councils Corporate priorities and resource is prioritised appropriately to deliver.

The following diagram outlines the different strands of work taking place within the Council and how these different layers will be brought together to deliver a sustainable future over the differing timescales.





## 5. CONSULTATION

5.1 None required. However it should be noted that the Budget Policy Framework Protocol Rules were reviewed by the Constitution and Ethics Committee, before being recommended to Council for approval in July 2022.

## 6. ANTICIPATED OUTCOMES OR IMPACT

6.1 That the Audit Committee is informed of the Council Approach to budget setting.

## 7. REASON FOR THE RECOMMENDATION

7.1 None required- item for information.

## 8. ALTERNATIVE OPTIONS CONSIDERED

8.1 None required- item for information.



## **9. IMPLICATIONS**

### **9.1 Financial Implications**

No Financial Implications as a result of this report- item for information.

### **9.2 Legal implications**

No legal implications as a result of this report- item for information.

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

[MTFS 2023-26 Quarter One report \(Appendix A\)](#)

[Budget Policy Framework Rules](#)

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<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 12</b>
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Chair of Audit Committee	
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Dan Kalley, Senior Democratic Services Officer	Tel. 296 334

**WORK PROGRAMME 2022/23**

<b>R E C O M M E N D A T I O N S</b>
<p>It is recommended that the Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Notes and agrees the Work Programme for the municipal year 2022/23 and matrix of terms of reference</li> </ol>

**1. ORIGIN OF REPORT**

1.1 This is a standard report to the Audit Committee which forms part of its agreed work programme. This report provides details of the Draft Work Programme for the following municipal year.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The Work Programme is based on previous year's agendas. The programme can be refreshed throughout the year in consultation with senior officers and the Committee membership to ensure that it remains relevant and up to date. In addition, any delays in reporting issues are recorded so that they do not drop off the committee agenda.

**3. IMPLICATIONS**

**Financial Implications**

3.1 There are none

**Legal Implications**

3.2 There are none

**Equalities Implications**

3.3 There are none

**4. APPENDICES**

4.1 Appendix A – Rolling Work Programme 2022/23  
Appendix B – Committee matrix – terms of reference

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Meeting date: Monday 17 October 2022(from 12 September)

Training/Briefing dates: 6 September 2022

<b>Agenda Item</b>	<b>Responsible Author(s)</b>	<b>Audit Committee Terms of Reference</b>	<b>Brief description</b>	<b>Relevant onward Committee and date (if applicable)</b>
Risk Management: Strategic Risks	Cecilie Booth – Corporate Director Resources	<b>2.2.2.15</b>  To monitor the effective development and operation of risk management and corporate governance in the council.	The purpose of this report is for the Audit Committee to note and comment on the Risk Management Report.	
Financial Improvement Panel plan and report presented to Council	Cecilie Booth – Corporate Director Resources	<b>2.2.1.18</b>  To consider the Councils arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To review along with scrutiny committee the financial action plan in place.	
Council's Reserves Policy	Cecilie Booth – Corporate Director Resources	<b>2.2.2.14</b>  To review any issue referred to it by the Chief Executive or a Director, or any Council body	Report and update on the Council's reserve position	
Activity of Procurement single	Mark Sandhu – Head of Procurement	<b>2.2.2.18</b>	To review the activity of Procurement in relation to	

supplier procurement over £10,000 and services procured / approved retrospectively.	Steve Crabtree – Chief Internal Auditor	To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	governance and internal controls	
Budget Setting and Scrutiny processes	Cecilie Booth – Corporate Director Resources		For the committee to review the budget setting process and the joint scrutiny of the budget arrangements.	

Meeting date: Monday 28 November 2022

Training/Briefing dates: 22 November 2022

<b>Agenda Item</b>	<b>Responsible Author(s)</b>	<b>Audit Committee Terms of Reference</b>	<b>Brief description</b>	<b>Relevant onward Committee and date (if applicable)</b>
Audit Committee deep dive (potentially on write offs)	TBC	TBC	An opportunity for the Committee to have a deep dive into an area of interest to the Committee. Further details of the nature of the deep dive will be updated in the work programme.	
Internal Audit: Mid Year Progress Report	Steve Crabtree – Chief Internal Auditor	<b>2.2.2.1</b> To consider the annual audit report and opinion of the Corporate Director of	The purpose of this report provides an overall opinion on the soundness of the control environment in place to minimise risk to the council. It	

		Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.	is based on the findings of the completed internal audits from the Annual Audit Plan 2022 / 2023 as at 30 September 2022.	
Audit Committee start time 2023/24	Dan Kalley – Senior Democratic Services Officer	<b>Council Standing Order section 4.4.1</b>  The timings of normal committee meetings will be agreed by the committee for the next municipal year in January of the preceding municipal year (or as near to this time as possible).	The purpose of this report is to allow the Audit Committee to discuss and agree the start times for meetings from the beginning of the Municipal Year 2023-24.	Full Council January 2023
Treasury Management Strategy (Half year report)	Cecilie Booth – Corporate Director Resources  Fiona Leverton – Capital Accounting & Treasury Manager	<b>2.2.1.18</b>  To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	The purpose of this report is to report current performance and the forecast outturn position against the Prudential Indicators in the strategy.	
Decisions of the Shareholder Cabinet Committee	Pippa Turvey – Democratic & Constitutional Services Manager	<b>2.2.2.12</b>  To consider reports in relation to the performance of the Council's companies,	The purpose of this report is to ensure that the Audit Committee is updated on the work of the Shareholder	

		alongside comments from the Shareholder Cabinet Committee.	Cabinet Committee in relation the Council's companies.	
Assurance Framework	Steve Crabtree – Chief Internal Auditor	<b>2.2.2.2</b> To consider summaries of specific internal audit reports as requested.	Committee to have a standing item on the assurance framework.	

Meeting date: 30 January 2023

Training/Briefing dates: 24 January 2023

<b>Agenda Item</b>	<b>Responsible Author(s)</b>	<b>Audit Committee Terms of Reference</b>	<b>Brief description</b>	<b>Relevant onward Committee and date (if applicable)</b>
Audit Committee deep dive	TBC	TBC	An opportunity for the Committee to have a deep dive into an area of interest to the Committee. Further details of the nature of the deep dive will be updated in the work programme.	
Internal Audit: Approach to Audit Planning	Steve Crabtree – Chief Internal Auditor	<b>2.2.2.9</b> To commission work from internal and external audit.	The purpose of this report is to provide Members with details of Internal Audit's annual planning approach and emerging issues and risks that Internal Audit need to provide assurance over. It provides an	



			opportunity for Members to consider these themes and provide input into the development of the Audit Plan.	
Treasury Management Strategy including update on risks	Cecilie Booth – Corporate Director Resources Fiona Leverton – Capital Accounting & Treasury Manager	<b>2.2.1.18</b> To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To provide the Treasury Management Strategy 2022/23 to Audit Committee for approval of the policies and Prudential Indicators in line with the consultation timelines for the MTFS.	Part of the Medium Term Financial Strategy presented to Full Council in March
Activity of Procurement single supplier procurement over £10,000 and services procured / approved retrospectively.	Mark Sandhu – Head of Procurement Steve Crabtree – Chief Internal Auditor	<b>2.2.2.18</b> To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To review the activity of Procurement in relation to governance and internal controls	
Assurance Framework	Steve Crabtree – Chief Internal Auditor	<b>2.2.2.2</b> To consider summaries of specific internal audit reports as requested.	Committee to have a standing item on the assurance framework.	
Final Statement of Accounts 2021/22	Ernst & Young – External Auditors Cecilie Booth – Corporate Director Resources	<b>2.2.1.19</b> To review the annual statement of accounts, specifically, to consider whether appropriate	To review the Audit results report from the External Auditors.	

	Kirsty Nutton – Deputy S151 Officer	accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.		
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Meeting date: 20 March 2023

Training/Briefing dates: 16 March 2023

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
Audit Committee deep dive	TBC	TBC	An opportunity for the Committee to have a deep dive into an area of interest to the Committee. Further details of the nature of the deep dive will be updated in the work programme.	
Draft Annual Audit Committee report	Dan Kalley – Senior Democratic Services Officer  Cecilie Booth – Corporate Director Resources  Steve Crabtree – Chief Internal Auditor	<b>2.2.2.13</b>  To produce an annual report for consideration by Full Council.	The Audit Committee has been in operation since Annual Council in May 2006 (first meeting June 2006). The Committee has a wide ranging remit that underpins the Council's governance processes by providing independent challenge and	Full Council July 2023

			assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework.	
Internal Audit: Draft Internal Audit Plan 2023 / 2024	Steve Crabtree – Chief Internal Auditor	<p><b>2.2.1.1</b></p> <p>To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.</p> <p><b>2.2.1.3</b></p> <p>To consider reports dealing with the management and performance of the providers of internal audit services.</p> <p><b>2.2.1.18</b></p> <p>To consider the council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.</p>	The purpose of this report is to ensure that the Council reviews and agrees the audit activity for the next audit year.	

Risk Management: Strategic Risks	Cecilie Booth – Corporate Director Resources	<b>2.2.2.15</b> To monitor the effective development and operation of risk management and corporate governance in the council.	The purpose of this report is for the Audit Committee to note and comment on the Risk Management Report.	
Decisions of the Shareholder Cabinet Committee	Pippa Turvey – Democratic & Constitutional Services Manager	<b>2.2.2.12</b> To consider reports in relation to the performance of the Council’s companies, alongside comments from the Shareholder Cabinet Committee.	The purpose of this report is to ensure that the Audit Committee is updated on the work of the Shareholder Cabinet Committee in relation the Council’s companies.	
Assurance Framework	Steve Crabtree – Chief Internal Auditor	<b>2.2.2.2</b> To consider summaries of specific internal audit reports as requested.	Committee to have a standing item on the assurance framework.	

July 2023

Training/Briefing: TBC

<b>Agenda Item</b>	<b>Responsible Author(s)</b>	<b>Audit Committee Terms of Reference</b>	<b>Brief description</b>	<b>Relevant onward Committee and date (if applicable)</b>
Draft Annual Governance Statement	Steve Crabtree – Chief Internal Auditor	<b>2.2.1.17</b>	The production of the Annual Governance Statement (AGS) forms part of the annual	

	Cecilie Booth – Corporate Director Resources	<p>To oversee the production of the authority's Annual Governance Statement and to recommend its adoption</p> <p><b>2.2.1.18</b></p> <p>To consider the Councils arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.</p>	closure of accounts process. It is not a financial exercise, but represents a corporate overview of the processes and procedures adopted by Peterborough to manage its affairs.	
Risk Management Framework and Policies	Steve Crabtree – Chief Internal Auditor (input from EY)	<p><b>2.2.1.15</b></p> <p>To monitor the effective development and operation of risk management and corporate governance in the Council.</p>	Responsibility for the risk management framework	
Internal Audit: Annual Audit Opinion	Steve Crabtree – Chief Internal Auditor	<p><b>2.2.1.1</b></p> <p>To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.</p>	The purpose of this report provides an overall opinion on the soundness of the control environment in place to minimise risk to the Council. It is based on the findings of completed audits and activities undertaken by the Internal Audit Team during 2021 / 2022.	

Investigations Team Annual Report 2022 / 2023	Steve Crabtree – Chief Internal Auditor	<b>2.2.1.16</b>  To monitor council policies on “raising concern at work” and the anti-fraud and anti-corruption strategy and the Council’s complaints process.	The purpose of this report is to present the work carried out during the past year to minimise the risk of fraud, bribery and corruption occurring in the Council.	
Insurance: Annual Report 2022 / 2023	Steve Crabtree – Chief Internal Auditor	<b>2.2.1.15</b>  To monitor the effective development and operation of risk management and corporate governance in the Council.	The purpose of this report is to present the work carried out during the past year to provide an effective insurance function which provides cover for all aspects of the Council whilst minimising the cost.	
Draft Statement of Accounts and Audit Results report for year ended 31 March 2023	Ernst & Young – External Auditors  Cecilie Booth – Corporate Director Resources  Kirsty Nutton – Deputy S151 Officer	<b>2.2.1.19</b>  To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	To review the Audit results report from the External Auditors.	

Audit Committee Effectiveness	Steve Crabtree – Chief Internal Auditor	<b>2.2.1.18</b>  To consider the Councils arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To provide Members with an update on progress in developing the audit plan.	
Decisions of the Shareholder Cabinet Committee	Pippa Turvey – Democratic & Constitutional Services Manager	<b>2.2.2.12</b>  To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.	The purpose of this report is to ensure that the Audit Committee is updated on the work of the Shareholder Cabinet Committee in relation the Council's companies.	

Date for item TBC

<b>Agenda Item</b>	<b>Responsible Author(s)</b>	<b>Audit Committee Terms of Reference</b>	<b>Brief description</b>	<b>Relevant onward Committee and date (if applicable)</b>
Councils Value for Money position	Cecilie Booth – Corporate Director Resources			
Report on Shared Services	Cecilie Booth – Corporate Director Resources			

	Matt Gladstone – Chief Executive			
External Audit plan for year ended 31 March 2022	Ernst Young – External Auditors  Sian Warren/Cecilie Booth/Kirsty Nutton - Finance	<p><b>2.2.2.5</b></p> <p>To consider the external auditors annual letter, relevant reports and the report to those charged with governance.</p> <p><b>2.2.2.7</b></p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>	The purpose of this report is to involve the Audit Committee in determining the audit approach and to identify any additional issues it considers relevant to the audit.	



## **Draft planning document linking constitution to delivery in meetings.**

### **Audit Committee**

2.2.1 It is advised that Members undertake relevant training within the past three years in order to hold a seat on this committee.

#### **2.2.2 Terms of Reference**

2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

2.2.2.2 To consider summaries of specific internal audit reports as requested.

2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.

2.2.2.4 To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

2.2.2.5 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

2.2.2.6 To consider specific reports as agreed with the external auditor.

2.2.2.7 To comment on the scope and depth of external audit work and to ensure it gives value for money.

2.2.2.8 To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor.

2.2.2.9 To commission work from internal and external audit.

2.2.2.10 To have oversight of the Regulation of Investigatory Powers policy and processes.

2.2.2.11 Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.

2.2.2.12 To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.

2.2.2.13 To produce an annual report for consideration by Full Council.

### **Regulatory Framework**

- 2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.
- 2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.
- 2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.
- 2.2.2.17 To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
- 2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

### **Accounts**

- 2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.

### **Independent Members of Audit Committee**

- 2.2.1.21 The Audit Committee will include up to 3 independent co-opted non-voting members sitting alongside 7 elected members. Independent members will be appointed by the Council to serve an initial 4 year term, which may be extended with the agreement of Council.
- 2.2.1.22 The Committee will be chaired by an Independent Member. In the absence of the appointed chair one of the remaining two Independent Members will be appointed as Chair by the Committee.
- 2.2.1.23 The Vice-Chair will be an elected member whose purpose will be to support the Chair and in the event of an equality of votes, to exercise a second or casting vote.
- 2.2.1.24 The role of an Independent Member is to support the Council's Audit Committee in its role to provide independent assurance to the members of Peterborough City Council, and its wider citizens and stakeholders.
- 2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.

2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.

Terms of reference	Meeting	Report title	Assurance activity
2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.	<b>Mar 2022</b>	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	<b>July 2022</b>	Internal Audit: Annual Audit Opinion	Audit Plan 2021/22 outturn. Provide Audit Committee with all works completed together with an opinion of the level of control / governance in place. Details of resources utilised. Areas of concern and non-compliance will be highlighted.
		(Draft) Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required
<b>Nov 2022</b>	Internal Audit: Mid-Year Progress Report	Audit Plan 2022/23. To provide progress against the agreed plan. Details of any changes made to audit risks and resources and how this is impacting on works.	

	<b>Mar 2023</b>	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.
2.2.2.2 To consider summaries of specific internal audit reports as requested	<b>July 2022</b>	Internal Audit: Annual Audit Opinion	Audit Plan 2021/22 outturn. Provide Audit Committee with all works completed together with an opinion of the level of control / governance in place. Details of resources utilised. Areas of concern and non-compliance will be highlighted.
	<b>Nov 2022</b>	Internal Audit: Mid-Year Progress Report	Audit Plan 2022/23. To provide progress against the agreed plan. Details of any changes made to audit risks and resources and how this is impacting on works.
2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.	<b>Mar 2022</b>	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	<b>Mar 2023</b>	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.
2.2.2.4 To consider a report from audit on agreed recommendations not implemented within a reasonable timescale	<b>July 2022</b>	Internal Audit: Annual Audit Opinion	Areas of non-compliance with timescales to implement change
	<b>Nov 2022</b>	Internal Audit: Mid-Year Progress Report	Areas of non-compliance with timescales to implement change

2.2.2.5	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.	<b>Sept 2022</b>	External Audit plan for year ended 31 March 2022	External auditor presents reports
2.2.2.6	To consider specific reports as agreed with the external auditor.	<b>Jan 2023</b>	Council's Value for Money position	
			Medium Term Financial Strategy review and recommendations	
2.2.2.7	To comment on the scope and depth of external audit work and to ensure it gives value for money.	<b>TBC</b>	External Audit plan for year ended 31 March 2022	
2.2.2.8	To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor.	<b>As required – last done November 2021</b>		
2.2.2.9	To commission work from internal and external audit	<b>Jan 2023</b>	Internal Audit: Approach to Audit Planning	To set out future audit work based on the current issues impacting on PCC
2.2.2.10	To have oversight of the Regulation of Investigatory Powers policy and processes.	<b>As required</b>		

2.2.2.11	Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.	<b>As required</b>		
2.2.2.12	To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.	<b>July 2022</b>	Decisions made by the Shareholder Cabinet Committee	
2.2.2.13	To produce an annual report for consideration by Full Council.	<b>Mar 2022</b>	Annual Audit Committee report	Draft report that currently gets presented to Full Council in July.
		<b>Mar 2023</b>	Annual Audit Committee report	Draft report that currently gets presented to Full Council in July.
2.2.2.14	To review any issue referred to it by the Chief Executive or a Director, or any Council body.	<b>As required</b>		
2.2.2.15	To monitor the effective development and operation of risk management and corporate governance in the council.	<b>Mar 2022</b>	Risk Management Strategic Risks	Overview of current strategic risks.
		<b>July 2022</b>	Insurance: Annual Report 2021 /	Sets out how insurance service has

		2022	operated to ensure effective management and control of its assets, and provide cover to manage risks
	<b>Sept 2022</b>	Risk Management Strategic Risks	Overview of current strategic risks
2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.	<b>July 2022</b>	Investigations Team Annual Report 2021 / 2022	Annual report into Investigations Team works.
2.2.2.17 To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.	<b>July 2022</b>	(Draft) Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required
2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	<b>Mar 2022</b>	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	<b>July 2022</b>	Review of Effectiveness of Audit Committee	Overview of the operation of the Committee against the CIPFA standards.

		Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required
		National Fraud Initiative	Report to set out how the Council will look to tackle fraud and error as part of mandatory exercises from central government
		Risk Management Framework	
	<b>Nov 2022</b>	Treasury Management Progress Report (including risks)	
	<b>Sept 2022</b>	Review of Procurement, reporting of single tender contracts	
	<b>Nov 2022</b>	Shared services strategy, TMS monitoring report	
	<b>Nov 2022</b>	Treasury Management Strategy (Half year report)	
	<b>Jan 2023</b>	Treasury Management Strategy including update on risks	



	<b>Mar 2023</b>	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.
2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	<b>June 2022</b>	Budget Monitoring Outturn 2021 / 2022	
	<b>Aug 2022</b>	Audit Results report for year ended 31 March 2022	
2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.	<b>Mar 2022</b>	Statement of Accounts	
	<b>Nov 2022</b>	Statement of Accounts	

**Independent Audit Committee Members feedback**

2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate independence, integrity,	
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<p>objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.</p>	
<p>2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.</p>	