

Public Document Pack
NOTICE OF COUNCIL MEETING - 23 FEBRUARY 2012

Dear Councillor,

A meeting of Cambridge City Council will be held in the Council Chamber - Guildhall on Thursday, 23 February 2012 at 6.00 pm and I hereby summon you to attend.

Dated 15 February 2012

Yours faithfully

A handwritten signature in black ink, appearing to read 'AP Jackson', written in a cursive style.

Chief Executive

Supplementary Agenda

4d Housing Revenue Account Self-Financing Business Plan, Asset Management Plan and Budget Report - 2012/13 (Ex Cllr for Housing)

Appendices:

- Appendix A – 30-Year Housing Revenue Account Business Plan 2012/13 to 2041/42
- Appendix B – 30-Year Housing Revenue Account Asset Management Plan 2012/13 to 2041/42

(Pages 1 – 230)

5a Executive Amendment and Budget Setting report

(Pages 231 - 258)

Version 4
Final

Housing Revenue Account 30-Year Business Plan

February
2012

2012/13 to 2041/42

Cambridge City Council



Version Control

Version	for :	Anticipated Content
1	Draft	Draft content for consultation
2	Officers and Executive Councillor January 2012	Draft CLG Debt Settlement
3	Housing Management Board and Council Meeting February 2012	Draft CLG Debt Settlement
Current	4 FINAL	Final CLG Settlement Version for publication following HMB and Council approval

Cambridge City Council

Housing Revenue Account

Business Plan

2012/13 to 2041/42

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Section 1

Introduction

Background

Funding for the provision of local authority social housing has, for many years, been managed at national level, under a system called 'The Housing Revenue Account Subsidy System'. The system pools all rent assumed to be collected at a local level and re-distributes the resource back to local authorities to fund management, maintenance and major improvements of the housing stock and to support the borrowing costs that exist in terms of the existing level of housing debt.

Under this formulaic system, Cambridge City Council have been a significant net contributor into the national 'housing pot' for many years, with the negative subsidy due to Government for 2011/12 estimated to be £12.98 million.

In November 2011, the Localism Act confirmed the introduction of a 'self-financing' system for local authority social housing, to be effective from April 2012.

Self-financing will see Cambridge City Council receiving a one-off share of the national housing debt in return for retaining all rental streams in respect of the housing stock. This will allow local decision making to drive the level of investment in the housing stock, agreeing spending priorities in line with local demand.

Decisions will need to be made at a local level in terms of priorities for investment, delivering a balance between:

- Investment in the existing housing stock
- Investment in new affordable housing
- Investment in new initiatives and income generating activities

- Spend on landlord service (i.e. housing management, responsive and void repairs)
- Spend on discretionary services (i.e. support)
- Repayment of housing debt

To effectively manage the housing business into the future, it is imperative that the housing service has an in depth knowledge of the condition of the housing stock it is managing, coupled with a clear understanding of the direction in which it would like to see services travel.

Housing Stock

Cambridge City Council Housing Revenue Account owns and manages the following properties, broken down by category of housing provided:

Housing Category	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
General Housing	6,653	6,644
Sheltered Housing	528	519
Supported Housing	28	28
Temporary Housing (Individual Units)	41	41
Temporary Housing (HMO's)	13	13
Miscellaneous Leased Dwellings	27	27
Shared Ownership Dwellings	89	88
Total Dwellings	7,379	7,360

A breakdown of the housing stock by property type, excluding shared ownership, is demonstrated in the table below:

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
Bedsits	112	112
1 Bed Flat / Maisonette	1,636	1,636
2 Bed Flat / Maisonette	1,271	1,268
3 Bed Flat / Maisonette	41	41

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
1 Bed House / Bungalow	188	188
2 Bed House / Bungalow	1,139	1,137
3 Bed House	2,272	2,267
4 Bed House	95	95
5 Bed House	6	7
6 Bed House	2	2
Sheltered Housing	528	519
Total Dwellings	7,290	7,272

The current composition of the Council's sheltered and extra care housing stock is as follows:

Stock Category	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
Modern or Refurbished Schemes		
1 Bed Flat	370	398
2 Bed Flat	49	51
1 Bed Bungalow	3	3
2 Bed Bungalow	2	2
Schemes Awaiting Modernisation		
Bedsit	36	2
1 Bed Flat	51	49
Schemes Awaiting De-Classification as Sheltered		
Bedsit	14	12
1 Bed Flat	2	2
1 Bed Bungalow	1	0
Total Dwellings	528	519

Leasehold Stock

The Housing Revenue Account also maintains the freehold in respect of a number of flats, sold under the right to buy process on long leases. Services continue to be provided to these properties in respect of repairs and improvements to communal areas and services for common facilities.

At 1st April 2011, the Council retained the freehold and managed the leases for 1,072 leasehold flats.

Section 2

Local Policy Context and Priorities

Council Vision

The Council has a clear vision for the future of our city, a vision that we share with Cambridge citizens and with partner organisations.

Cambridge – where people matter

- A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing.
- A city whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives.
- A city where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all.

Cambridge – a good place to live, learn and work

- A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities.
- A city which draws inspiration from its iconic historic centre and achieves a sense of place in all of its parts with generous urban open spaces and well-designed buildings.
- A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery.
- A city where getting around is primarily by public transport, bike and on foot.

Cambridge – caring for the planet

- A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution.

Our Vision

The vision for Housing Services picks up the following themes and prioritises:

- Improving housing standards: Maintaining and refurbishing council housing, and supporting the development of new affordable housing, in the public and private sector, that achieves high environmental standards of energy efficiency, minimal carbon emission, and maximum waste recycling.
- Delivering high quality services: Enabling tenants and residents to have influence over the way we manage services and set priorities. Understanding the diverse needs of our customers. Being open and accountable to service users. Providing services through partnerships or other providers where this is the best option.
- Safe and secure neighbourhoods: Creating and maintaining estates in which our tenants and other residents feel safe and secure. Working in neighbourhoods with partners to effectively address issues that reduce the quality of life.
- Affordable housing plus: Promoting the successful delivery of new affordable housing that meets the needs of the city, and that creates good places to live for all residents regardless of tenure.

Underlying this vision are themes that underpin all our work:

- Embracing diversity and equality in our customers and staff.
- Maintaining an ethos that consistently focuses on the customer needs.
- Achieving value for money through economy, efficiency and effectiveness of service delivery.
- Valuing and respecting our staff through our commitment to providing opportunities for development of their skills, knowledge and competencies.

The Council's Vision is translated for Housing through the Housing Portfolio Plan. Alongside priorities to deliver more new affordable housing; improving the energy efficiency of homes;

and sustaining standards and housing choices through private housing; the importance of the Council as a social landlord is recognised.

Risk Management

Housing Revenue Account services share the Council's corporate approach to risk management, with the Risk Assurance Framework being integrated into the decision-making processes of the organisation.

A recent review of the approach to managing risk has resulted in a number of proposed changes to the way in which the organisation records and monitors risk, including:

- Facilitating risk workshops to capture risks within each service area
- Reducing the number of risk stages monitored from 5 to 2
- Presenting of risks to Strategic Leadership Team at 2 key points in the year
January / February – Portfolio Plans / Budget Implications
June / July - Medium Term Strategy
- Capturing risks against risk categories / themes identified by Strategic Leadership Team
- Utilisation of specific groups to provide quality assurance and challenge to risks e.g. ICT Steering Group, Asset Management Group
- Scoring of risks once, recording only the residual risk score with controls and mitigation in place
- Implementing a new Risk Management software system

Key strategic risks are recorded and monitored at an organisational level as described above. A more detailed level of risk analysis is undertaken at project level, with risks considered, recorded, mitigated and monitored through risk assessments undertaken as part of the Council's project management process.

[Appendix A](#) provides details of the risk criteria and scoring methodology used, with a summary of the key risks in relation to this business plan provided at [Appendix B](#).

Insurances

The Council insures its housing stock assets by combining external insurance with the operation of an internal insurance fund. A number of years ago, the Housing Revenue Account took a policy decision to partly 'self-insure' the housing stock, taking an insurance policy with a stop loss of £250,000 per annum. This arrangement requires the authority to meet the first £250,000 of insurance losses in any one insurance year, but serves to significantly reduce the level of annual insurance premium that would otherwise be payable.

The financial risk that this poses requires both the inclusion of an annual budget of approximately £57,000 to meet the costs associated with what would otherwise have been routine insurance claims met by the insurer, coupled with a requirement to maintain HRA balances at such a level that meeting the first £250,000 of any large claim in any one insurance year would not cause irreparable damage to the business.

This arrangement is kept under ongoing review, providing the opportunity to fully insure at any point, should this be deemed appropriate in both business risk and financial terms.

In addition to insuring property assets, the Council holds insurance policies which the HRA contributes to, and benefits from, in respect of:

- Public Liability - Limit of Indemnity £25m
- Employers Liability - Limit of Indemnity £20m
- Officials Indemnity - Limit of Indemnity £1m
- Libel & Slander - Limit of Indemnity £50,000
- Professional Negligence - Limit of Indemnity £5m (Architectural Services)
- Property Works in Progress Insurance - Sum Insured £5m
- Business Interruption cover for main offices including Hobson House, 171 Arbury Rd & 89 Cherry Hinton Rd
- Comprehensive Motor Insurance for Council Vehicles
- Fidelity Guarantee Insurance - All Employees guaranteed for £1m (designated officers have higher guaranteed sums)
- Computer Insurance - Material damage cover as per inventory (computer suite & equipment)

Partnership Working

The organisation and the Housing Service recognise the benefits, and therefore promote, partnership working wherever possible.

From a strategic housing perspective, the City Council work with a group of senior housing officers from neighbouring local authorities and housing associations (Cambridge Sub-Regional Housing Board) that meets regularly to ensure that there is a coherent approach to housing strategy across the sub-region that centres on Cambridge.

The Housing Service explores opportunities to work in partnership with South Cambridgeshire District Council at all opportunities, sharing procurement opportunities wherever possible. A recent example of this is a joint procurement for the external financial advice relating to the Housing Revenue Account's preparations for the implementation of self-financing from April 2012. A joint project team has worked to ensure that both authorities are best placed to respond to these changes.

The gas maintenance contract, for the servicing and maintenance of all Housing Revenue Account dwelling stock was also jointly procured with South Cambridgeshire District Council, to ensure that best value is delivered for tenants in procurement terms.

From July 2011, a new 5-year partnership arrangement has been entered into with two planned maintenance contractors, to deliver the investment required in relation to the housing stock, both in terms of capital investment (including decent homes) and planned / cyclical revenue expenditure.

Cambridge City Council will shortly be entering a Framework Agreement with five partners; a housebuilder and four Registered Providers (RP's), in order to develop land owned by the Council with high quality and sustainable market and affordable housing. The Council and these partners will work together to design a housing scheme satisfactory to both parties, carry out consultation, submit a planning application and build the housing once planning permission has been granted. If the Council works with the housebuilder then the Council will own and manage the affordable housing. If the Council works with an RP then the RP will own and manage the newly built affordable housing. Generally, the Council will work with either

the housebuilder or one of the RP's to develop a site, however there is the opportunity for the Council to work with both the housebuilder and an RP on larger and / or more complex sites. It is likely that there will be an element of market housing on each site that will cross subsidise the delivery of the affordable housing.

Shared Services

The Choice Based Lettings team manage the Council's housing register as a part of a sub-regional partnership called '*Home-Link*' - a primarily web-based choice-based lettings (CBL) scheme offering more choice to housing register applicants in Cambridge and the six neighbouring authorities. It offers greater transparency, flexibility and feedback for applicants, allowing them to see the availability of social housing across all seven local authority areas and therefore make realistic decisions about their housing options. The team assesses housing need and allocates social housing within Cambridge City district boundaries as well as providing advice and support to both new housing applicants and current tenants on using the system.

With effect from April 2012 it is proposed to create a shared Home Improvement Agency with South Cambridgeshire District Council and Huntingdonshire District Council, to be co-located at the South Cambridgeshire offices in Cambourne, but to be managed by Cambridge City Council. Although only works to properties in the private sector are delivered by the existing Home Improvement Agency for Cambridge City residents, there is the potential scope to expand this service in the future to also manage works in Council homes, as this is already undertaken on behalf of Huntingdonshire District Council residents.

Equality Impact Assessments

Equality Impact Assessments (EQIA) are carried out in respect of individual service area delivery and policy review. Self-financing is a change in a major financially driven process and therefore it is not appropriate to undertake an EQIA in respect of the introduction of the Business Plan in its own right. However, EQIAs will be carried out in respect of any potential changes in policy or service delivery that may result from this different financial process.

Section 3

The National Policy Context and External Factors

External Factors

The Housing Revenue Account Business Plan is impacted upon by a number of external factors, all of which are outside of the direct control of the organisation, with little or no ability for the organisation to influence them. In making financial projections for the future operation of the business, it is necessary to make a judgement about the likely direction of travel for many of the factors. To do this, we rely heavily on historic data, using previous trends to inform our financial forecasting.

Using historical trend data, financial plans and forecasts will continue to be regularly reviewed at key points throughout each year to inform updated assumptions and to support decision making.

Inflation rates

Year	RPI % Annual Inflation	RPI(X) % Annual Inflation	CPI % Annual Inflation	CPI(Y)% Annual Inflation	GDP Deflator at Market Prices	BCIS
2002	1.7	2.1	1.0	No data	1.84	7.1
2003	2.8	2.8	1.4	No data	2.63	7.7
2004	3.1	1.9	1.1	1.0	2.08	2.0
2005	2.7	2.5	2.5	2.6	2.87	10.5
2006	3.6	3.2	2.4	2.6	2.04	3.2
2007	3.9	2.8	1.8	1.7	3.31	4.8
2008	5.0	5.5	5.2	5.4	2.30	4.2
2009	-1.4	1.3	1.1	2.2	3.00	-10.4
2010	4.6	4.6	3.1	1.5	1.73	-6.3
2011	5.6	5.7	5.2	3.7	2.75	5.7

Interest rates

The Council lend externally, on a short-term basis, any cash balances that are held at any point within the financial year. If the balances held relate in any way to the Housing Revenue Account, the General Fund pays the interest earned to the Housing Revenue Account. The financial transaction between funds takes place at each year-end, based upon the average cash balance throughout the year, at the average rate of external interest received by the organisation as a whole.

It is clear from the table below that the level of interest receivable on Housing Revenue Account balances has significantly reduced in the last 3 years. Although recovery in the economy is anticipated, the time frame over which this is likely to happen is difficult to predict.

Year	Interest Rate Earned on Balances
2003/04	3.65%
2004/05	4.64%
2005/06	4.68%
2006/07	4.79%
2007/08	5.84%
2008/09	5.35%
2009/10	1.36%
2010/11	0.57%

Right To Buy

The right to buy legislation allows existing tenants to purchase their council home at a discounted purchase price. Since the introduction of the scheme in the 1980's, the rules surrounding the level of discounts available have changed significantly. In the 1990's and early 2000's, the discount levels available were high and the economy was in a strong position, seeing the Council lose over 100 properties each year as a result of this scheme.

In 1999, the level of discount available was capped at £34,000, and this, coupled with the recession, has resulted in far fewer properties being purchased by existing tenants in the last five years.

Year	Right to Buy (RTB)			Rent to Mortgage (RTM)			Total
	House	Flat	Bedsit	House	Flat	Bedsit	
2001/02	55	47	1	3	0	0	106
2002/03	63	38	1	7	2	0	111
2003/04	69	45	1	5	1	0	121
2004/05	59	47	0	3	0	0	109
2005/06	37	38	0	4	2	0	81
2006/07	41	29	2	0	0	0	72
2007/08	23	19	1	0	0	0	43
2008/09	2	4	0	0	0	0	6
2009/10	11	2	0	0	0	0	13
2010/11	12	5	0	0	0	0	17

Recent announcements, followed by a formal consultation paper, indicate that the coalition government are considering increasing the level of discounts available to tenants, to reinvigorate the scheme. Current proposals would see the maximum level of discount available to tenants enacting their right to buy increasing from £34,000 to £50,000. The consultation also considers a variety of options for the treatment of the residual capital receipt from the sale after the revised discount is applied. Some confidence is afforded that the authority will, as a minimum, retain a share of the capital receipt equal to the debt that was attributed to the dwelling from the outset of self-financing. The outcome of the consultation, and the resulting impact of the change, will need to be carefully considered in all financial modelling undertaken in the future.

Welfare Reforms

The Spending Review 2010 explicitly included welfare spending within its scope, enabling the Government to take a more strategic view of the trade offs across public services and welfare payments. As a result of the measures announced in the Spending Review and the June 2010 budget, welfare spending was forecast to fall in real terms over the following four-year period, in contrast to the 45% real increase over the previous decade.

The Spending Review confirmed the intention to phase in a Universal Credit from 2013. Universal Credit is to replace, amongst other things, Housing Benefit. The Review also committed to reducing spending on Council Tax benefits by 10% and localising it from 2013/14. In addition, the Spending Review announced a wide-ranging package of other reforms to the

existing welfare system with the intention of providing a fair and affordable platform for the introduction of the Universal Credit. On 17 February 2011 the Government published the Welfare Reform Bill, containing provisions for the abolition of Council Tax benefit, paving the way for new localised schemes.

The Government has now announced further details of their plans for a new system of local support for Council Tax. A consultation paper 'Localising support for council Tax in England' was published on 2 August 2011. The paper confirms that help with Council Tax will not become part of Universal Credit – the new benefit that amalgamates tax credits, out-of-work benefits and housing benefit – but will instead remain a local authority responsibility. The paper also confirms the need for local authorities to save 10% of current expenditure but, importantly, makes clear that pensioners and the most vulnerable will be excluded from the effect of this cut.

The planned welfare reform changes, including a localised scheme to provide support for Council Tax, will be likely to have significant financial impacts for a large number of current and future claimants within the city and to social and private sector housing providers.

The impact of these reforms in respect of our housing business is impossible to quantify at this stage, although it is anticipated that the need to collect 100% of rent directly from tenants as opposed to approximately 49%, will have a negative financial impact in terms of our collection costs, recovery rate and the level of rent arrears experienced at a local level, potentially requiring write off in our accounts.

The Localism Act

Main measures

- New freedoms and flexibilities for local government
- New rights and powers for communities and individuals
- Reform to make the planning system more democratic and more effective, and
- Reform to ensure decisions about housing are taken locally

The Localism Bill gained Royal Assent in November 2011, becoming the Localism Act 2011.

The Act has wide implications for social landlords and includes measures on:

- Local authority tenancy strategies - which will affect allocation of all social housing
- Tenure reform - the introduction of flexible tenancies
- Abolition of the HRA subsidy system, and the introduction of self-financing for all local authority social housing (with an implementation date of 1st April 2012)
- Regulatory reform - provision of stronger tools that tenants can use to hold their landlords to account, abolition of the Tenant Services Authority (with transfer of remaining regulatory functions to the Homes & Communities Agency), a cross-sector housing ombudsman scheme and complaints and tenant panels.

A currently live consultation document sets out proposals for a revised regulatory framework to take effect from 1 April 2012. The proposals suggest boards and councillors who govern service delivery will remain responsible for ensuring providers meet the consumer standards. Under the Localism Act, the regulator will no longer have an active role in monitoring providers' service performance or delivery of the consumer standards. Under the new arrangements for regulation, it is expected that others such as tenant panels, MPs and elected councillors will have a more prominent role in helping tenants to get redress where they have received a poor service and in scrutinising landlords' overall performance. The revised Tenant Involvement and Empowerment standard will reflect these objectives, including an increased scope for more tenant involvement in repairs and maintenance. Further information about what the changes mean will be provided by the Department of Communities and Local Government (DCLG).

Supporting People

In April 2003, the Supporting People regime was introduced, recognising the Government's desire to separately identify and fund the raft of housing-related support services that housing providers either delivered or facilitated across their housing stock.

In Cambridgeshire, local authorities opted to manage the funding, and therefore the procurement of support, at a County level. The County Council set up a team to act as administering authority, with a commissioning body including representatives from each local authority acting as the decision making body. The commissioning body agree the strategic priorities for investment in support services across the County. Since April 2003, the national funding for Supporting People has been the subject of successive annual reductions. Locally, the administering authority has also been working to deliver a more equal pattern of services

across the County and to move away from 'buildings-based services' to more 'floating support models' focusing on the specific needs of individuals.

As a landlord and support provider, Cambridge City Council are currently contracted to deliver support services in sheltered, supported and temporary accommodation across the housing stock. The current Supporting People system presents particular challenges for a local authority support provider like City Homes; constrained to work within the district boundary and with historic, mainly building based services.

Many existing contracts are due to come to an end in March 2012, with the County Council either re-tendering or extending existing arrangements. The Council has not submitted a bid for the provision of mental health support services, as the scope of the new contract is far wider than the services currently provided. This contract is therefore now anticipated to transfer to a new provider from April 2012.

Contract	No. of Units	Contract Status	Maximum Support Income 2011/12 Gross of Voids (£)	Estimated Maximum Support Income 2012/13 Gross of Voids (£)
Temporary Housing (116 Chesterton Road)	60	Block Gross Contract – Expires 31/3/2012. SP confirm two year extension, with intention to re-tender from April 2014	132,070	132,070 (Supporting People seeking a reduction in costs for the two year extension period)
Temporary Housing (New Street)				
Temporary Housing (Dispersed Tenancies)				
Temporary Housing (Shared Houses)				
Floating Support	83	Contract transferred to new provider on 7/12/2011	184,920 (270,620 pro rata for 8.2 months)	0
Brandon Court	30	Block Subsidy Contract – Expires 31/3/2012. One year extension proposed by SP at a reduced rate of £9.00 per client per week.	Void in 2011/12	219,630 assuming funding for all clients at the average rate irrespective of need
Ditchburn Place (Sheltered)	15		10,170	
Ditton Court	26		17,630	
Greystoke Court	24		16,280	
Lichfield / Neville Road	171		73,870	
Mansel Court	25		16,960	
Rawlyn Court	26		17,630	
School Court	29		19,670	
Stanton House	33		22,380	
Talbot House	21		14,240	
Walpole Road	48		20,740	
Whitefriars	20		13,560	
Community Alarms	47	4.41	9,950	9,950
Ditchburn Place (Extra Care)	36	Block Gross Contract – Expires 25/1/2014.	45,740	45,740
Ditchburn Place Supported	21	Block Gross Contract	40,630	0
No. 39 Ditchburn Place	3	73.58	10,600	0
Burmaside House	4	59.31	11,390	0
Total Maximum Support Income (Gross of Voids)			678,430	407,390

The financial pressure that exists across all County Council services is expected to result in a significantly lower level of funding for support services from April 2012. In determining the investment priorities for the Housing Revenue Account over the medium to long term, consideration will need to be given to the extent to which the Housing Revenue Account wishes to provide enhanced housing management services to plug the gap that the reduction in support services will create.

Section 4

Housing Services

Housing Management

Housing Management is undertaken by City Homes, the landlord function of the Housing Service. Area North and South offices, overseen by two Area Managers, deal with rent arrears and collection, tenancy management, lettings, resident involvement and low-level tenant ASB functions for 6,653 general needs properties. City Homes works closely with the Customer Service Centre, Estates and Facilities, housing needs and homelessness, the city-wide ASB team and Housing Strategy to deliver a comprehensive, joined-up service for tenants at all stages of their tenancy. The most pressing issues for City Homes' teams include:

- Ensuring rent-collection levels continue to be high in the face of challenging welfare reforms and socio-economic pressures
- Keeping arrears levels to a minimum, including former tenant arrears
- Ensuring tenants have the necessary support and advice to help them pay their rent, maintain their tenancy
- Ensuring anti-social behaviour is dealt with
- Offering tenants and leaseholders opportunities to get involved in the housing service and have their say on the issues that affect them as tenants.

City Homes has received the Customer Service Excellence accreditation for the last three years, previously holding the Charter Mark accreditation for excellence in the provision of customer service since 1999.

Customer Services

The Customer Service Centre was introduced in 2008 as a one-stop shop for accessing Council services. Key front-line services were moved across gradually until the Centre was fully

integrated by June 2010. The Customer Service Centre has robust policies and procedures in place, fully-trained staff, access to self-service facilities, an easily accessible location (extended opening times, full disabled access etc), challenging performance targets and clear service delivery standards.

The Centre's relationship with the range of housing services is strong. Regular meetings are held between senior members of staff to discuss performance, data-gathering possibilities and the streamlining of specific areas of service. The Customer Service Centre is in the unique position of being able to collate robust, centralised files of data and information on current and future clients, and Housing is keen to take advantage of this data.

The Customer Service Centre team assists customers with general queries regarding housing, such as:

- Providing fully supported assistance with Homelink lettings-applications, from assessing eligibility to registering, banding enquiries and bidding
- Handling rent enquiries, establishing the customer's query, confirming the amount of rent payable, and taking debit or credit card rent-payments
- Liaising with Housing/Council Tax benefit teams to establish the reason for changes in rental liability, and liaising with City Homes housing officers where required
- Advising on how to register for a mutual exchange of homes.

For repairs and maintenance of Council homes, the current services provided by the Customer Service Centre include:

- Establishing the type and urgency of the customer's repair request
- Requesting the repair via the Orchard electronic system
- Agreeing appointment dates with the customer
- Agreeing specific response times where the repair is an emergency
- Arranging for the appropriate tradesperson to attend within prescribed time limits.

Leasehold Services

The leasehold service currently supports the administration of:

- The 1072 leases of flats sold under the Right to Buy
- The Right to Buy process
- 89 Shared Ownership properties.

A main function of the leasehold team is to ensure that the Council recovers any service charges that it reasonably incurs as the Freeholder, and that services provided are of an appropriate standard. The leasehold team also administer or deal with:

- Section 20 Consultation for major planned works, in order to comply with the requirement of relevant legislation
- Pre-sales enquiries in relation to re-sales
- Breaches of lease conditions, including recovery of service charge arrears
- Leaseholder alterations.

The Right to Buy

Right to Buy sales in Cambridge remain relatively low, with just 17 in 2010/2011, culminating from 43 applications. The recent announcement by Government (October 2011) to re-energise the Right To Buy process could have a significant impact on the Council, including increased workload, loss of rental income if there was a large take-up, an impact in capital receipts and the potential for council new build (dependent upon the outcome of the consultation process).

Shared Ownership

The Council have 89 Shared Ownership properties, the majority of which were sold on a 50% share. The leasehold team administer the waiting list and deal with re-sales.

Sheltered Housing

The Housing Revenue Account owns and manages a number of sheltered housing schemes, which provide accommodation suited to older people. Schemes provide varying levels of support to enable residents to live independently in their Council home.

Over the last 6 years, a significant programme of investment in the Council's sheltered housing stock has been carried out. The strategic investment decisions have included selling or

transferring a number of schemes to other registered providers. This has enabled an appropriate level of investment in the schemes retained, to ensure that they meet modern standards and tenant's expectations.

The schemes retained are a mixture of:

Category I schemes, which are clusters of accommodation with their own off-street front doors:

Greystoke Court

Lichfield / Neville Road

Walpole Road

Category II schemes, where tenants' homes have their own front doors onto an internal corridor, with some communal facilities:

Brandon Court

Ditchburn Place (Sheltered)

Ditton Court

Mansel Court

Rawlyn Court

School Court

Stanton House

Talbot House

Whitefriars

Staff of the Independent Living Service provide support, landlord-related services and premises-services to sheltered scheme residents on a peripatetic basis. This service has changed significantly over the last 15 years. Residents saw a reduction in service, changing from having a designated live-in warden and deputy warden at each scheme, to the current service where one peripatetic Independent Living Facilitator might be providing services across two, or even three, sheltered schemes.

Ditchburn Place Extra Care

In addition to sheltered housing, the Council has retained a 36-unit extra-care housing scheme at Ditchburn Place. Unusually for a local authority landlord, the City Council is contracted by

the County Council to deliver the care and support in the scheme in addition to being the landlord.

Although the City Council has a contract to provide care and support to January 2014, the contract is managed closely and reviewed regularly to monitor both the financial implications and the risks associated with delivering this service, as it is not a core function for the authority.

At some point during the life of the current care and support contract, it will also be necessary to consider the options for the future of the extra care accommodation itself at Ditchburn Place, as significant investment is required in order to bring the scheme up to modern standards and to meet the expectations of prospective residents.

Temporary Housing

As part of its statutory duty and responsibility to reduce homelessness, Cambridge City Council owns and manages 60 units of temporary accommodation. The Temporary Housing staff team manage the provision of temporary accommodation to vulnerable people who have become homeless due to problems with alcohol and substance abuse, mental ill health, domestic abuse or relationship breakdown. The work of the team also includes supporting clients in moving on to permanent accommodation.

Supported Housing

Until recently, the Housing Service provided a Floating Support Service to about 83 residents in accommodation-based supported housing and in general needs housing. The Council was unsuccessful in securing a place on the framework for Floating Support services in the city, so all floating support staff were recently transferred to a new provider. Historically, the majority of residents supported by this service have been Council tenants, but the expectation is that future referrals may be more complex. Concerns are high that wider demand for this type of support will lead to the support needs of some Council residents going unmet. This is expected to put increasing pressure on the Council's housing management function.

The Housing Revenue Account also manages 28 units of accommodation-based supported housing, all of which are situated on the Ditchburn Place site. The support needs of these residents are currently met by an in-house team based at Ditchburn Place, operating as part of

the Independent Living Service. However, the basis upon which the County Council has tendered the contract for this support from April 2012 has led to the decision not to tender for the continuation of this service. (The tender, for a county-wide accommodation-based mental health support service, required experience that does not currently exist within the team and posed too many risks for the Council.)

Consideration will need to be given to whether the Housing Revenue Account wishes to retain 28 units of supported housing in the longer term, or to utilise the accommodation for alternative purposes.

Estate Services

Estate Services are based at City Homes, and work with partner agencies to oversee grounds maintenance, street cleaning, garage maintenance, caretaking and cleaning of communal areas on each Council estate. As well as addressing environmental issues such as the introduction of new recycling points throughout the estates, fly tipping and other environmental nuisance, the service has recently introduced the role of Green Inspectors. These are resident volunteers trained to provide performance reports on key areas of service, providing management with critical data for making service improvements and taking forward new initiatives. The team also encourages general tenant feedback via a standards group, street forums, a Tenant Initiative Scheme and resident involvement with the service planning for estates, including where priorities should be focussed in the coming years.

Garages

The Housing Service manages 1,865 garages and lettable parking spaces using the department's Housing Management Information System. The majority of the garages are Housing Revenue Account owned (except for 17 garages and 6 parking spaces in Bermuda Road and Hooper Street, owned by, and managed for, the General Fund). Just over 50% of the garages are let to Council tenants, with the remainder let predominantly as private garage tenancies to the city's other residents and regular visitors. A small number of garages are utilised as storage for housing management purposes.

The garage stock in many areas of the city is in poor condition, and requires significant investment if it is to be retained as a lettable asset into the future. Void levels in Council garages are high, with a 19% void loss realised for 2010/11. There is a small waiting list for garages: the number of people waiting is far less than the number of garages available, but with many would-be garage tenants requiring a specific geographical location.

Due to difficulties letting garages in some areas of the city, work has been undertaken to investigate the development potential of particular sites, with a number of sites now featuring on the 3-year affordable housing investment programme.

Miscellaneous Leases

The housing service lease a small number of properties to voluntary and not-for profit organisations that provide accommodation and support to vulnerable groups within the city. The organisations house clients such as those with mental health issues, care workers active within the community, over-seas nurses, school site staff, a pastor undertaking community work and women and children fleeing domestic violence.

The decision to lease these properties to other organisations involved a number of factors each time, such as:

- The fact that the requesting organisation would be housing vulnerable clients who may otherwise have come to the City Council for housing
- The 'stand alone', non-estate or low-demand location of certain properties, making them less viable as general needs accommodation
- The guaranteed rental income for this low-demand property

A review of the service in 2007 saw councillors agree to continue the service where viable and with due consideration of each property, albeit with stricter control over the duration and terms of a new 'standardised' lease.

Commercial Property Portfolio

In addition to owning and managing a significant dwelling stock, the Housing Revenue Account also owns a small commercial property portfolio, consisting of shops and land utilised for non-housing purposes.

The majority of shops in the Housing Revenue Account are situated on housing estates, were built as part of creating the affordable housing and associated infrastructure and have tenanted social housing built above them.

The portfolio currently includes 24 shops and a clinic. The shops are located in Akeman Street, Anstey Way, Barnwell Road, Campkin Road, Carlton Way, Hazelwood Close and Wulfstan Way. The shops are let on commercial leases, generating commercial market rental streams of approximately £243,000 per annum.

The remainder of the commercial property portfolio consists of land used for non-housing purposes generating a revenue stream of approximately £31,000 per annum, and payment in respect of a lease to the Hundred Houses Society for the land on which some of their first 100 houses were built. The latter provides an ongoing rental stream of approximately £68,000 per annum, which is directly linked to the rental income for the properties on the site. Hundred Houses are pursuing the desire to terminate the existing lease arrangements, taking ownership of the land by mutual agreement with the City Council, in return for a one-off capital sum or the transfer of some housing stock into Housing Revenue Account ownership. The proposals need to be fully explored in the light of any potential impact on the Housing Business Plan.

Anti-Social Behaviour

Anti-social behaviour is dealt with in partnership between City Homes and a specialist ASB team that is part of a City-wide Safer Communities Team. The team deals with medium and higher level ASB affecting Council properties, and ASB of all kinds across the city, including problems in public spaces or involving private-sector housing.

The Racial Harassment and Community Cohesion Officer is also part of the Safer Communities Team, offering a confidential service that provides support and assistance, as well as advice

and action on racial harassment. The team works closely with the police and other Council departments to gather information and take appropriate and speedy action to put an end to harassment. The team also works extensively with black and minority ethnic groups in the City to build relationships and encourage their active participation in decisions that affect their lives.

Repairs and Maintenance

Repairs and Maintenance expenditure can be summarised in two main categories. The investment broadly consists of repairs of a reactive nature (responsive and void repairs) and planned expenditure (decent homes, cyclical maintenance and planned works, both revenue and capital funded).

As part of a corporate re-structure, and to ensure efficiencies could be maximised, it was agreed in 2010 to merge Building Services (part of the Council's Direct Labour Organisation) with Technical Services (the Housing Revenue Account's surveying and repairs client role) into a single Estates and Facilities Service, while externally tendering the planned elements of the investment programme. The remaining functions are currently undergoing a major restructure to ensure effective operation as a single service.

In 2010/11, the number of jobs booked was as follows:

Job type	Number
Emergency	3,808
Non-emergency	15,535
Void works	1,371
Total	20,714

The decision to retain the reactive element of the repairs service as an in-house function followed a soft-market testing exercise of the repairs & void service, resulting in the development of an improvement plan which is now underway and scheduled to be completed by 2013. A Repairs Improvement Plan Scrutiny Panel will monitor progress and achievements against the relevant tasks and actions. This group will also be responsible for recommending that the service is either retained in house or is subject to future out-sourcing

via a tender. Key activities planned for the team include close work with other areas of the housing service to ensure a joined-up approach to working with tenants, regular contact with the Customer Service Centre on issues surrounding customer satisfaction, repairs booking and IT integration, improving performance and benchmarking results and working with tenants as part of co-regulation, where a resident inspector project, responsible for void work regulation is already underway.

Apollo and Kier Services have been awarded contracts for planned maintenance and work in partnership with the Estates & Facilities Service to ensure the housing stock is maintained at the Decent Homes standard, following achievement of 100% Decent Homes in 2010/11.

The Estates & Facilities team also oversee cyclical maintenance within blocks, including leaseholder section 20 works, and disabled adaptations. They ensure that programmed works are completed on time, on budget and to a high standard. Housing stock condition is monitored in-house, as well as works around energy efficiency and renewable energy, fire-safety, asbestos removal and refurbishment of the sheltered housing schemes. Performance and benchmarking information plays an important role within all these services.

Support Services

Information Technology

The Housing Service relies very heavily on a number of business-critical IT systems, with the Integrated Housing Management Information System being one of the key applications.

A recent review of this system resulted in the upgrade of the system with the existing supplier, for a period of 5 years from April 2011, when the upgrade took place.

There are a number of other key systems, which work along-side or integrate with this application, and review of a number of these is required, in an attempt to make best use of the IT functionality currently available to support a housing business.

Funding has been made available in the first year of the business plan, to allow for review and potential replacement of the OPENContractor direct labour management and job costing

system and the Codeman asset management information system. As part of the review, consideration will also be given to the introduction of a mobile working solution, which would be expected to deliver significant future advantages in terms of financial efficiencies and capacity building for the repairs service.

Section 5

Governance and Resident Involvement

Local Authority Governance

The Housing Management Board (HMB) acts as the main governing body and discussion forum for the day-to-day operation of the housing service. It comprises 9 councillors (5 from the ruling group and 4 from other parties) and 6 residents. The 6 residents (five tenants and a leaseholder) are elected by all residents, currently every four years, to serve a four-year term. The elections are run by the Electoral Reform Society and are well contested. The response rate at the last election in 2008 was 22.5%. The composition of the HMB is such that if opposition councillors and residents unite they could out-vote the ruling party. This represents a powerful and independent role for residents and is possibly unique across the country.

Under the current constitutional arrangements, Housing Management Board scrutinise all of the operational decisions affecting the Housing Revenue Account, while the Community Services Scrutiny Committee scrutinise strategic housing decisions and consider the Housing Capital Investment Plan.

The Executive Councillor for Housing, representing housing on both HMB and Community Services, is in some cases individually empowered to make decisions in respect of housing related matters, or alternatively to recommend decisions to Council.

In light of the operation of the Housing Revenue Account within a self-financing environment, the constitutional arrangements in respect of housing related matters will be reviewed, with any proposed changes presented to both Civic Affairs and Council for consideration and decision.

Tenant Representation

The Housing Management Board includes 5 tenants and a leaseholder, elected by all tenants and leaseholders citywide, with equal voting rights alongside councillors. They debate and vote on all the strategic or policy decisions involved in managing landlord and related services. Below them, residents' Housing Regulation Panel is a co-regulation group, inspecting and challenging the performance of any service-areas that show poor performance. Under the co-regulation regime introduced by the Localism Bill, these two residents' groups together have formal powers to get services improved. Feeding into them, a wide range of more specialised residents' groups monitor and assist specific service-areas, from repairs and environment to sheltered schemes and publications.

In terms of tenant monitoring, the Housing Regulation Panel (HRP) monitors service delivery and the performance of the housing service. It is properly constituted: its members have been trained and it has formal powers to seek evidence and hold officers and councillors to account. The HRP has carried out independent surveys of council services and the council has adopted its recommendations. Resident Green Inspectors also check work carried out on estates, and the council also uses Mystery Shoppers. A Residents' Asset Management Group (RTLG), inspects work done on homes and assists with the Decent Homes programme. The National Audit Office has commended the depth of the resident representatives' involvement in the Decent Homes programme.

Between them, the elected residents of the Housing Management Board and the residents of the Housing Regulation Panel play a key role in holding the landlord service to account. HRP has a comprehensive constitution and robust powers to investigate services, to question councillors and officers and to make recommendations for service improvements. The HRP can also commission advice from independent consultants.

Resident Involvement

The resident involvement service is delivered by two staff that work with residents and officers to ensure that resident involvement work is effective within the Council. This is to be enhanced following a recent external review of tenant involvement.

In all, active resident representatives working with the resident involvement service give over 3000 hours of hands-on participation to the housing service each year. Over 30 areas of the housing-service are directly influenced and shaped by residents' input.

The resident involvement service offers a menu of involvement methods. This includes a system for residents' co-regulation, support to residents' groups and associations, area meetings in the north and south of the city, estate walkabouts, a citywide forum for leaseholders, neighbourhood days, a Tenants' Initiative Scheme that offers up to £7,000 for environmental projects, and local offers developed in partnership with residents.

An independent review of the service in September 2011 found that *"Cambridge City Council's resident involvement is robust, effective, and represents excellent value for money, achieving remarkable results given that it is spending below the lowest quartile... In terms of the quality of the service, its value for money and the range of involvement options on offer Cambridge, it sits within the top quartile of landlords and has been rightly praised by regulators and bodies such as the Audit Commission and the CIH."*

Together, staff and residents from the service regularly give training and positive practice presentations for other providers and national agencies. To keep the Council's resident involvement at the forefront of positive practice, increased funding is being made available from 2012, a Residents' Forum will be launched, a new member of staff will be recruited, and their and the current resident involvement team's work will have a high degree of guidance from residents. As the independent review explained: *"This already happens in practice, since the team works on a partnership basis with residents, but it may be sensible to formalise the arrangement so that residents know exactly the services they can expect to receive. In the spirit of co-regulation, the principle should be that a significant proportion of the team's work should be resident-led."* This reflects the fact that under resident's co-regulation, residents' involvement is intended to be a driving force for improvement across all housing services.

Consultation and Communication

The Council also offers a wide range of communications with tenants and leaseholders. As well as a yearlong intensive calendar of face-to-face meetings with resident representatives, Open Door magazine is co-edited with tenants and leaseholders and is distributed quarterly to all tenants and leaseholders. This magazine includes a Freepost feedback survey so that

improvement can be built in. The Annual Report for Tenants and Leaseholders is also co-edited with tenants and leaseholders and includes a feedback survey. The Council website includes a Your Home, Your Say feature, links to Facebook pages, and residents' videos on *YouTube* and on the Council's website. The *Count Me In* campaign has successfully involved Black and Minority Ethnic residents, and an annual calendar of resident-led learning events includes Residents' Exchange Day, Residents' Garden Competition and other celebrations.

Section 6

Capital and Asset Management

Asset Management

An Asset Management Strategy, detailing the anticipated investment need across the Housing Revenue Account asset base has been produced alongside the Housing Revenue Account Business Plan.

In a self-financing environment, understanding the asset base and the associated future investment required in order to maintain the asset base in a desirable, and therefore lettable, condition, is key to ensuring the financial viability of the housing business plan.

Where historically the financial disincentives inherent in the National Housing Revenue Account Subsidy system have undermined pro-active asset management decisions, the introduction of self-financing brings forth a new era.

The ability to retain all rental streams at a local level to service the debt taken on, actively encourages the development of new affordable housing by local authorities for the first time in many decades.

It is also more likely that the Housing Revenue Account may consider strategic disposal of assets, for example where an asset negatively contributes to the business plan, utilising any capital receipt to re-invest in affordable housing.

Stock Condition

Prior to the introduction of the Decent Homes Programme in 2004 and to demonstrate the authority's ability to retain its housing stock, an independent specialist (Savills) were procured

to undertake a 10% stock condition survey of the housing stock, projecting the investment need over a 30-year period.

Since 2004, surveyors employed within the housing service have gathered survey data on the majority of the residual 90% of the housing stock, enabling the service to refine broad investment projections into more detailed investment plans.

In preparation for the implementation of self-financing from April 2012, the authority invited Savills back to undertake a stock condition validation exercise in April 2011. The purpose of the validation exercise was to obtain confirmation that the data gathered internally has been collected on a consistent basis with the original 10% sample, and to provide an expert view on the assumptions being made in the stock condition database. This exercise provided full assurance as to the data held while recommending a couple of changes in the assumptions being made in the database, helping to further refine investment planning.

One of the areas where data gathering and recording is weak is in respect of the communal areas of both sheltered and flatted accommodation, where an allowance has been made in the financial planning, in anticipation of a more detailed investment profile in the future.

The recommendation of Savills in this respect is to include an uplift of £75.00 per property per annum to ensure provision of sufficient resources to maintain communal areas (lifts, door entry systems, balconies, landings, balustrades, communal floor coverings and communal rooms) to a safe, decent and desirable standard.

Decent Homes

The housing service reported achievement of decency in the housing stock as at 1st April 2011, with over 99.5% of the stock achieving the desired standard. There were 37 properties that were considered to be non-decent (in addition to the 613 refusals), with another 305 anticipated to become non-decent during 2011/12.

It is anticipated, and incorporated as part of the Asset Management Strategy, that any properties either non-decent at 1st April each year, or become non-decent during the year, will be included in the decent homes programme, to be addressed in year.

Stock Investment

The Asset Management Plan addresses the investment need in Housing Revenue assets in detail, but a summary of the anticipated investment need is included in Appendices H and I to the Business Plan. [Appendix H](#) provides a detailed breakdown of investment in years 1 to 5 of the Business Plan, while [Appendix I](#) provides a summary of the anticipated investment need over the full 30 years of the current plan.

Determining priorities for investment will continue to be a difficult task, with ongoing conflicts in the desire to improve existing housing stock, deliver new affordable housing and invest in the services that are provided to tenants on an ongoing basis.

New Build Affordable Housing

As one of the few local authorities successful in securing Homes & Communities Grant funding for new build affordable housing in 2009, 7 additional units of housing have now been built, let and are now being managed as part of our Housing Revenue Account housing stock.

On the back of this success, the Council bid as part of a later round of grant applications, and was successful in securing provisional grant of £2,587,500 towards the development of 146 new affordable homes in the city, all of which form part of the 3-year affordable housing programme.

The first of the schemes to be undertaken is for the re-development of the Seymour Court / Seymour Street site, which will see the existing 51 units of void sheltered accommodation being demolished to make way for a mix of market and affordable housing, with the Housing Revenue Account realising 21 units of affordable housing, funded via a mix of grant, cross subsidy from the market housing and an element of prudential borrowing.

Also included in the base business model is the assumption that the authority is able to deliver the affordable housing on the Clay Farm site in years 4 or 5 of the business plan, subject to scheme viability.

Section 7

Rent Arrears, Voids, Rent Policy and Rent Setting

Rent Arrears and Bad Debt Provision

Historically rent collection performance locally has been consistently good, with over 98% of the value of current tenant arrears brought forward and rent raised, collected in year.

Rent arrears in total is a combination of current and former tenant debt, with the latter being more difficult to pursue and recover, demonstrated by an increase in the level of former tenant arrears in recent years.

A pro-active approach to pursuing current tenant debt is key to keeping former tenant debt, and therefore the cost of rent written off, to a minimum. The timescale within which former tenant debt is pursued is crucial if the organisation is to have a realistic chance of recovering the sums due.

The year-end position in respect of current tenant debt is summarised in the table below:

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year
31/3/2011	£582,400	1.88%
31/3/2010	£625,433	2.05%
31/3/2009	£595,366	2.01%
31/3/2008	£622,446	2.27%
31/3/2007	£693,541	2.54%
31/3/2006	£749,604	2.84%

The year-end position in respect of former tenant debt is shown in the table below:

Financial Year End	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2011	£746,852
31/3/2010	£642,521
31/3/2009	£633,797
31/3/2008	£601,117
31/3/2007	£506,091
31/3/2006	£435,275

Despite improved performance in the collection of current tenant debt in recent years, the trend in recent months however, has been an increase in the level. This trend is anticipated to worsen, particularly in light of the changes proposed under the Welfare Benefit Reforms from April 2013, when housing benefit will no longer be payable directly to the landlord.

It is imperative that the Council take positive action to minimise any increase in rent arrears, thus reducing the financial burden on the Housing Revenue Account that an increase in bad debt will bring.

The Housing Revenue Account maintains a provision for bad and doubtful debt, with the value of the provision reviewed annually, taking into consideration both the age and value of outstanding debt at the time. The impact of external factors on the Council's ability to recover sums due also needs to be considered as part of determining an appropriate level of provision.

A judgement needs to be made, in light of the forthcoming changes, whether further investment in additional staffing to pro-actively recover rent due may be a better option financially than writing off any unrecoverable debt that may otherwise ensue.

Void Levels

With the exception of temporary and sheltered housing and properties identified for re-development, the level of void properties in the housing stock is relatively low compared with other areas of the country. The number of properties vacated and re-let in any year is between 600 and 750, including mutual exchanges and transfers.

The value of rent not collected as a direct result of void dwellings in 2010/11 was £423,103, representing a void loss of 1.46%.

Local void levels have been higher in the last 8 years due to a combination of the sheltered housing refurbishment programme, which has seen one scheme at a time being intentionally vacated to allow disposal or refurbishment of the scheme to meet current standards and local tenant aspirations and the early stages of a programme to re-develop other housing stock in the city.

Financial Year End	No. of General Year End Voids	No. of Sheltered Refurbishment Year End Voids	No. of Re-Development / Disposal Year End Voids	Total Year End Voids
31/3/2011	38	37	16	91
31/3/2010	54	37	42	133
31/3/2009	73	40	40	153
31/3/2008	44	66	51	161
31/3/2007	71	51	45	167
31/3/2006	68	26	33	127

On an ongoing basis, excluding the known impact on void levels of the sheltered housing refurbishment programme and of any proposed re-developments, an assumption of 1% voids in general housing is currently considered to be appropriate, subject to continuation of improved performance in void re-let times.

Rent Restructuring

Rent restructuring was introduced in April 2002, with the key aim of converging rents across all social housing providers, whether local authority landlord or other registered provider.

The programme was originally anticipated to span a ten-year period, with target rents calculated based on property prices from January 1999. Since the outset, a national review of the system saw further changes imposed from April 2006, resulting in an increase in target rents for Local Authority housing stock with far fewer properties nationally expected to reach convergence by 2011/12; the end of the initial period.

Government-prescribed limits on average rents increases of 5% were imposed for 2006/07 and 2007/08, whilst April 2008 saw an extension of 5 years in the original 10-year convergence period, taking intended convergence to 2016/17.

The rent increase from April 2009 was retrospectively reduced, following re-issue of the 2009/10 HRA Subsidy Determination, resulting in a reduced average increase of 3.26% and a delay in the intended rent convergence date to 2023/24. In April 2010, an average rent increase of 1.75% was applied to the Council's Housing Stock, with the intended date of convergence brought forward to 2012/13.

In April 2011, the Housing Revenue Account Subsidy Determination again moved the intended rent convergence date, this time to 2015/16. The rate of inflation at September 2010 however, still drove a significantly high increase in guideline, and therefore actual, rent, with an average in actual rent for 2011/12 of 7.45%.

Throughout these changes individual annual rent rises have continued to be limited to a figure of inflation plus half a percent plus £2 per week.

As target rents are calculated using a formula, which considers both property prices and average manual earnings, both weighted for the geographical location of the housing stock, target rents for Cambridge City Council were considerably higher than the levels being charged at the outset of the regime.

Even now, ten years into the process and at the end of the initial transition period, the constraints that have been applied by Government, mean only the 7 new build properties are currently at target rent, until 2015/16, when 27% will have reached target rent levels.

The table below indicates the proportion of the housing stock that will be at target rent levels at April of each year, if the existing rent restructuring rules continue to apply and no changes are made to rent setting policy locally.

Financial Year	Percentage of Housing Stock at Target Rent Levels
2011/12	<1%
2012/13	<1%
2013/14	<1%
2014/15	<1%
2015/16	27%
2016/17	48%
2017/18	63%
2018/19	74%
2019/20	82%
2020/21	86%
2021/22	90%
2022/23	92%
2023/24	95%
2024/25	96%

Rent Policy

The local rent setting policy, updated for self-financing and to be effective from January 2012, is attached at [Appendix C](#).

There is some discretion in how rents are set at a local level, with options to use an element of flexibility in the calculation of target rents (5% for general stock housing and 10% for sheltered housing) and to move all void properties directly to target rent prior to re-let.

Historically, neither of the above has been applied locally (in part due to the potential negative impact through the subsidy mechanism), but in terms of the impact on the business model, consideration should clearly be given to whether or not Cambridge City Council should introduce either option for the future.

Any decision to move void properties directly to target rent needs to be taken in full recognition of the potential impact of rent rebate subsidy limitation, where an increase in average actual rent above the limit rent set would result in payment of the difference across to the General Fund, impacting the sums received from the Department for Work and Pensions (DWP) in respect of housing benefit.

At the start of 2011/12, the target rent for the housing stock was £90.91, the limit rent was £85.14 and the actual transitional rent being charged was £80.98. Approximately 8.5% of the housing stock becomes void at some point in any one year (although some of these voids are transfers, mutual exchanges and repeat voids), indicating that a decision to move void properties directly to target would not negatively impact upon rent rebate subsidy limitation and therefore the business plan. Once the date of intended rent convergence is arrived at, currently 2015/16, the level of limit rent will equal that of the target rent, thus removing the possibility of entering rent rebate subsidy limitation unless rents are set at above target levels.

Where the Council builds new affordable housing using grant from the Home and Communities Agency, the new homes will need be let at an affordable rent as introduced by the Localism Act.

Rent Setting

Rent levels are set in January of each year, with the Executive Councillor for Housing having delegated authority to make this decision, following pre-scrutiny by Housing Management Board.

Although there has always been some discretion in the level of rents to be set a local level, the financial disincentives that are inherent in the national Housing Revenue Account Subsidy system mean that Cambridge City Council has had little alternative but to follow Government guidelines.

The decision about the level of rent increase to approve is always set in the context of the wider budget setting process, taking account of the financial projections for the Housing Revenue Account over the longer term.

Any decision to increase rents at a lower rate than assumed in the debt settlement, and therefore the business plan, would have a negative impact on the business model, with a 1% lower increase in rent in a fully committed business model, representing the need to deliver savings of approximately £300,000 at 2011/12 rent levels (£1.00 represents approximately £380,000).

To illustrate the impact of a decision to deviate from the Government assumptions for setting rents under the rent restructuring regime, a decision not to converge rents (i.e. never to apply the £2.00 limit to close the gap between target and actual rents) would result in an inability to pay off the debt during the life of the base business plan. It is estimated that it would be year 35 before sufficient resource would be available to redeem the loans, and all of the additional investment identified later in the document as part of an aspirational business model would not be possible.

A decision in a single year, for example in 2013/14, not to apply the £2.00 increase in rent, would not remove the ability to redeem the loans during the life of the plan, but would result in the loss of over £4.3 million in income during the life of the business plan, necessitating either a compensating reduction in expenditure or a decision not to undertake some of the additional investment that would otherwise be possible.

It is clear that the Government expectation is that local authorities will continue to set rents in line with the guidelines. What is not clear at this stage, is the potential impact of deviating from this policy in terms of any potential penalty or possible exclusion from eligibility for grant funding for example.

Service Charges

Service charges are levied for services that are not pure landlord functions, and are provided to some tenants and not others, depending upon the type, nature and location of the property. Charges are set to recover the full estimated cost of providing each service, with some services being eligible for housing benefit depending upon the nature of the service being provided.

Prior to April 2004, many services were provided, but paid for via the rent charged for each property. As a follow on from introducing rent restructuring, the Government also encouraged

local authorities to separately identify and charge for services, outside of the rent charged for the occupation of a property.

When separating out any charges, where services have previously been provided, but have been funded through rental income, it has been necessary to implement the service charge whilst reducing the rent charge by the corresponding sum.

The majority of services provided to tenants of Cambridge City Council are now separately identified, with the exception of communal electricity, grounds maintenance and estate services to non-sheltered flatted accommodation, where work is in progress to identify these costs accurately at block level.

Service charges are currently levied for the following services:

- Caretaking (General Housing)
- Communal Cleaning
- Estate Services Champion (General Housing)
- Window Cleaning
- Door Entry
- Passenger Lifts
- Gas Servicing
- Electrical / Mechanical Maintenance (Sheltered / Temporary Housing)
- Grounds Maintenance (Sheltered)
- Premises (Sheltered / Temporary Housing)
- Utilities (Sheltered / Temporary Housing)
- Support (Sheltered / Supported Housing)

Once separated out from rent, service charge increases have been limited to annual rises of inflation (RPI at the pre-ceding September) plus 0.5%.

Section 8

Performance & Value For Money

Performance Indicators

The Council, and the housing service in particular has used performance indicators (PI's) for a number of years as the clearest way of providing customers with information on how services are performing, and as a management tool for improving service delivery and ensuring services are held to account for failings in key service areas.

The Council's performance management structure stems from our Medium Term Objectives – The Strategic Leadership Team (SLT) monitor a basket of key PI's that help to show delivery against the targets set through the MTO's. Underneath this level, each service is responsible for ensuring robust and measurable PI's are set within the Portfolio Plans, and, underneath that, operational plans PI's that are delivered at a more local level. The current suite of Housing Revenue Account-related PI's, some monitored by SLT and all monitored by Housing Management Team, is available at [Appendix D](#) of this document.

Performance Management

Housing's performance management system includes key PI's from each area of service that are monitored by Housing Management Team (HMT) each quarter. Halfway through each financial year, Service Managers are asked to present a 'spotlight' report to HMT that outlines progress against PI's, Benchmarking data and key actions from both the portfolio and operational plans. This provides HMT with the opportunity to 'catch-up' with managers and services on a formal basis, a good understanding of any problems or issues arising in service areas and opportunities to challenge any poor performance.

A special Residents Performance monitoring session is held every three months at Housing Regulation Panel that includes members of HMB. This session allows residents and leaseholders

to scrutinise performance and raise issues that will be taken back to service managers for consideration or action as appropriate. HRP are keen to work with service managers in understanding issues, challenging performance and target setting.

Value for Money

Housing has a strong approach to VFM, enabled by:

- Procuring services externally and in partnership with others where this is the best option
- Systematically reviewing our services to identify better ways of working and to drive out inefficiencies (including benchmarking with other agencies)
- Taking a rigorous approach to monitoring expenditure and costs
- Maximising external investment
- Involving tenants and other stakeholders in our decision-making processes to ensure we are meeting the needs of our service users and are delivering effective outcomes for the wider community.

There are three main dimensions to our approach to VFM in our housing services:

- Working cohesively with other sections of the Council and within the corporate financial framework expressed through the Medium Term Strategy.
- Looking to embed VFM at the operational level with direct engagement with service users to help prioritise, direct and measure the impact of the use of the resources at our disposal
- Working in partnership with other agencies within the Cambridge sub-region housing market to deliver added value.

Benchmarking

The Housing service has been a member of Housemark for four years. The system provides robust, comparable spend data across each area of Housing Management, leasehold and shared ownership, estate services, major works, cyclical maintenance and repairs and voids and support services (IT, Finance, office premises and central costs) so the Director, Heads of Service, service managers and staff can track, monitor and understand what is spent and

saved on employee costs, non-pay costs and overheads. The output of the benchmarking exercise has been extensively used as a management tool to inform service reviews and service planning.

It is anticipated that the year-end benchmarking report will be presented to Housing Management Board on an annual basis, to compliment the documentation presented in January of each year in respect of portfolio planning and budget setting.

Benchmarking is also undertaken at localised levels, namely with *HQN* for leasehold services, *Re-thinking Construction* for repairs and maintenance, and a Housemark club for Resident Involvement.

Incorporating the benchmark results as part of the spotlight reporting template ensures service managers understand their costs and performance and can utilise the results when planning changes to services or preparing key policies and strategies.

It is expected that the Housing Regulation Panel (HRP) will oversee the monitoring of our annual benchmarking results.

Portfolio Plan

Portfolio Plans for each of the Cabinet Members were introduced in 2010 and replaced the old service planning process. The Portfolio Holder for Housing, in partnership with the Director and Heads of Service, has developed an annual plan that for 2012/13 sets the following priorities:

1. Maximise the delivery of new housing in a range of sizes, types and tenures ensuring that current standards are at least maintained.
2. Make the best use of existing homes.
3. Implement the first year of the HRA Business Plan following the introduction of greater financial freedom for the Council to manage the financing of its housing.
4. Foster good quality housing and housing related advice.
5. Increase energy efficiency of existing homes; promote sustainable design and construction methods; promote high standards of environmental sustainability of new homes and communities, including water management

Inspection

In 2008, an inspection of the Housing Management Service resulted in a *'two-star, excellent'* score from the Audit Commission. In 2010, this inspection process was dissolved. The Localism Act sets out the new framework for social housing regulation, with the current focus for consultation around robust self-assessment, Value for Money and serious detriment, complaints and co-regulation.

Section 9

Treasury Management Strategy

Background

Treasury management activities are defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

" The management of the organisations investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

HRA Self-Financing Borrowing Requirement and Options

A self-financing valuation of the local authority's council housing stock has been made by Government using a discounted cash flow model of the authority's social housing. The model is based on assumptions made by Government about rental income and expenditure required to maintain the council's housing stock over 30 years.

Based on this model, and audited data about the Council's housing stock, a final self-financing determination has been made. For the City Council the determination sets the amount that must be paid to Government on 28 March 2012, together with an upper limit on housing debt that the Council may hold under self-financing.

The final determination, announced in February 2012, follows formal consultation on a draft self-financing determination, which commenced in November 2011.

Based on the final self-financing determination, the Council will be required to fund a payment of £213,572,000 to the Government on 28 March 2012. Significant exploration of the funding options available to the Council was undertaken, with the options investigated including:

- Internal borrowing from the General Fund
- Borrowing from the County Council pension fund
- Borrowing from other local authorities
- Borrowing from the Public Works Loans Board (PWLB)
- Raising funds through bond issuance (either individually or as part of a club)
- Raising funds through private market placement

The work undertaken has also considered the potential benefits of adopting a mix of the above funding options.

Until the Comprehensive Spending Review in October 2010, borrowing from the PWLB was likely to have been the chosen route for many local authorities, with preferential interest rates being offered for a variety of fixed and variable products. An increase of approximately 1% in the rates being offered following Spending Review 2010, forced many local authorities to investigate the market more widely, particularly exploring the potential for bond issuance, which although costly to set up, appeared to offer preferential longer-term borrowing rates. It should be noted that, to be in a position to place bonds in the market place, the Council and any other parties in a bond club, would be required to obtain a formal credit rating from a limited number of rating agencies, such as Moody's, Fitch or Standard & Poors.

In September 2011, the Government announced a reduction in the rate offered by PWLB, in respect of the self-financing settlement transaction only, providing rates comparable to those previously available to local authorities prior to the October 2010 Comprehensive Spending Review. Following this announcement, it is highly likely that after exploring internal and inter-authority borrowing, that borrowing from the PWLB will be the most favourable route.

Given the highly specialised nature of the funding options requiring consideration and the amounts involved, the Council sought to commission specialist support and advice in determining the final funding strategy.

Borrowing Route	Current View
Internal Borrowing	There is some capacity to internally borrow, but the term of the loan is unlikely to be for the duration of the business plan, as the General Fund will need elements of the resource at various stages over the next 30 years. As opposed to utilising the internal resource available at the outset, it may be preferable to borrow the entire self-financing settlement sum externally and considering borrowing internally when the HRA requires use of the additional headroom in the business plan.
Inter-Authority Borrowing	This option is no longer viable within the timeframe and the appetite locally does not appear to exist. The authority could take a short term loan to allow set up of a vehicle to administer such loans, but there has been limited progress in this outside of this organisation. This option has therefore been excluded from further consideration at this stage.
Bond Issuance	The preferential interest rates available from the PWLB rendered this option far less attractive, with significant up front costs and lead in time with little or no anticipated benefit. This option has therefore been excluded from further consideration at this stage.
PWLB Borrowing	The preferential rates available for this single transaction, combined with the borrowing route carrying far less risk than other forms of borrowing, make this route the recommended option after use of any existing internal resource.

If borrowing from the PWLB, there are a variety of borrowing options available to the organisation. Sums can be borrowed for any term of up to 50 years, and there are a number of different types of loan available.

Loan Rate	Description	Current View
Fixed Rate	The interest rate stays static throughout the life of the loan.	The rate being offered by PWLB is lower than available currently and rates are generally lower than they have been for years.
Variable Rate	The interest charged on the loan varies as the interest rate changes.	Carries significant risk in respect of future interest rate rises.

Loan Type	Description	Advantages	Disadvantages	Risks
Maturity	Interest only paid during the life of the loan, with the principal requiring repayment or re-financing at the end of the loan period.	Minimises payments required during the life of the loan, releasing funds for either set-aside for loan repayment at the end of the term or re-investment, therefore providing some flexibility to allow an expanding business model.	Interest payments are higher, as the borrowing rates for this type of loan are the highest of the three available from PWLB. Money is borrowed for the full term and no principal is repaid during the life of the loan.	Resources available during the life of the loan are not invested in income generating schemes / assets or invested appropriately over the longer-term to generate a suitable financial return. If re-financing at the end of the loan period, rates may be significantly higher than at the outset.
Equal Instalment of Principal Loan (EIP)	Interest and principal repaid during the life of the loan, with the principal reducing equally across years, while the interest reduces over time as the loan balance reduces.	Facilitates payback over the term of the business plan. Borrowing rates for this type of loan are the lowest available from PWLB, as the principal sum is reduced quickly.	The annual cost of borrowing is greater in the earlier years of the loan term, making the option unaffordable as a stand-alone option.	The requirement to repay more in the earlier years results in an inability to respond to other financial changes in the business model, ie; inflation rates, unanticipated investment need.
Annuity Loan	Interest and principal repaid during the life of the loan with repayments staying the same throughout. As the loan balance reduces, the value of the principal being paid increases and the interest reduces.	Facilitates payback over the term of the business plan. Rates are lower than for maturity loans.	Repayment of an element of the principal is required from the outset which as a stand-alone option would require additional borrowing / reduction in expenditure in the early years of the business plan to meet the borrowing costs.	Additional borrowing required in the early years is not available internally or can only be secured at greater cost externally, limiting ability to utilise headroom for new build / asset enhancement / service improvements.
Mix of more than one loan type	Combination of multiple loans, either maturity, EIP or annuity	Allows spread of risk and benefit of an element of loans at the lowest interest rate.	Requires greater treasury management, with a mix of a number of loans of differing types.	No additional risks than those highlighted against each loan type.

Considerations in Constructing a Loan Portfolio

The following key factors have been considered:

- Type of Loan
- Source of Borrowing
- Loan Portfolio

Type of Loan

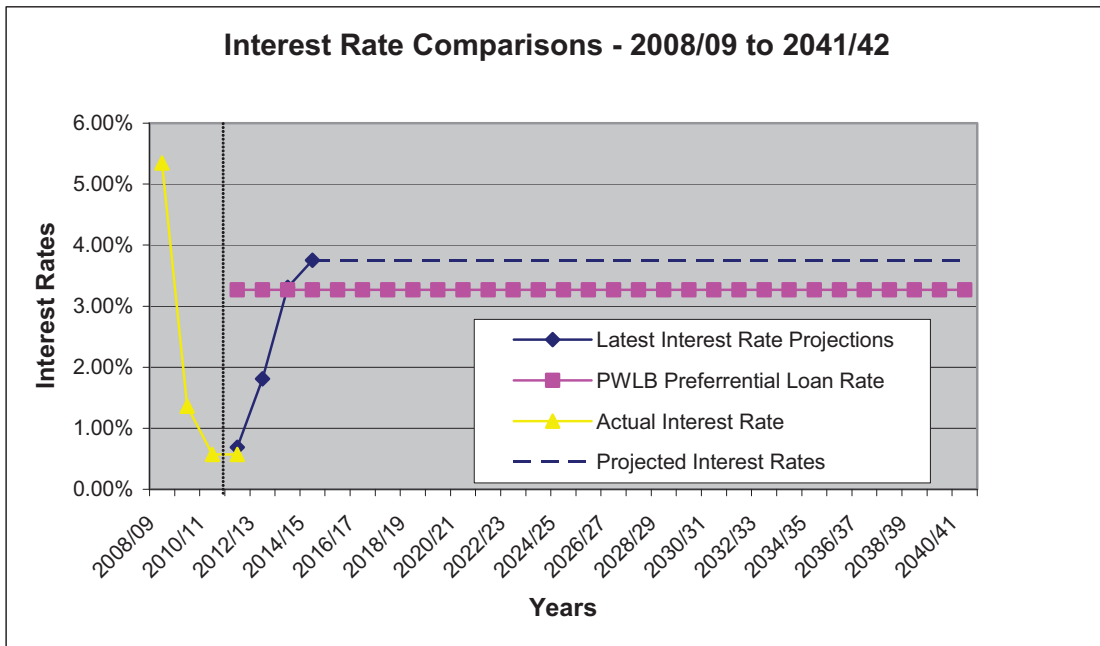
One key consideration in determining the borrowing strategy will be whether to take loan(s) with fixed or variable interest rates, or a combination of the two.

The most important factor in making this decision is where the Council believes current interest rates are in the context of longer term projections, i.e. whether rates over the term of the loan(s) would, on balance, be expected to materially increase or decrease.

Since the 2008 economic downturn interest rates have fallen dramatically and bank base rates have been at a historic low of 0.5% for just under 3 years. Given the continued uncertainty about the degree and timing of economic recovery, forward projections for interest rates are difficult to make with any degree of certainty. However, most market analysts agree that current rates are at or near the bottom of the medium to long-term projections for rates.

The graph below compares the actual average rate of interest earned on balances in the last 3 years, assuming that the current levels continue, with the latest market projections for recovery in interest rates over the next few years.

Over-laying this with a demonstration of the preferential rate at which the HRA can obtain the finance from PWLB, serves to indicate that a fixed term loan would be expected to demonstrate the best financial, and most risk averse option for borrowing in the current economic climate.



Based on the analysis undertaken, it is felt that it would be financially advantageous to the HRA to take out fixed rate loans, as opposed to the variable alternative. In addition to accessing historically low rates, this also gives the advantage of providing greater certainty for financial planning purposes.

The second factor to consider in terms of type of loan is the basis of repayment. As detailed in the table above, there are advantages and disadvantages associated with each loan type available. On balance it is recommended that maturity loans are taken out, as this loan type, although not the cheapest form of borrowing from the PWLB, has the best fit with the financial projections in the more challenging early years of the business plan projections and offers the greatest degree of flexibility, in terms of the potential to release resource during the life of the business plan to facilitate additional investment in service developments.

Source of Borrowing

As noted in the tables above, the Council could look to lend from the General Fund to the HRA, subject to availability. This would have the advantage of retaining the money paid as interest within the Council overall; even if the interest rate charged was the same as available externally and so the HRA had no direct benefit, the General Fund would receive investment income that could exceed the levels available from the market.

An exercise has been undertaken to determine the level of funding that could be made available from the General Fund, and this has identified:

	1/4/2007 £'000	1/4/2008 £'000	1/4/2009 £'000	1/4/2010 £'000	1/4/2011 £'000
Working Capital	12,098	7,308	9,196	(524)	2,800
General Fund					
General Reserve	12,318	13,616	12,183	9,302	9,850
Asset Renewal Reserve	11,027	11,901	12,457	12,533	12,996
Other Ear-Marked Reserve	4,491	4,287	4,635	4,433	4,322
	27,836	29,804	29,275	26,268	27,168
Housing Revenue Account					
General Reserve	6,702	6,591	6,057	5,016	5,689
Asset Renewal Reserve	1,147	1,317	1,407	1,623	1,826
Major Repairs Reserve	0	0	0	0	352
Other Ear-Marked Reserve	327	332	328	334	410
Debt Redemption Premium	(2,829)	(2,284)	(1,739)	(1,193)	(647)
	5,347	5,956	6,053	5,932	7,630
Capital					
Capital Contributions Unapplied	3,419	4,261	4,556	6,173	6,076
Usable Capital Receipts	23,192	21,750	13,719	12,155	12,763
	26,611	26,011	18,275	18,328	18,839
Deferral of Icelandic Investment Impairments on General Fund Balance	0	0	(2,209)	(2,006)	0
Capital Financing Requirement	1,279	1,279	1,279	0	0
Total Invested	73,171	70,358	61,869	47,998	56,437
Note: Includes deposits in banks in administration equal to	0	0	6,791	5,570	5,249

As the table above demonstrates, the year-end investment levels, which are historically the point in each year when sums invested are at their lowest, the General Fund holds balances of between £25 and £30 million.

Although it would appear beneficial to the General Fund in the short-term to lend resource to the HRA, rather than to the market, the type of loan (ie; fixed or variable) would also be an important factor. As identified above, the preferred route for the HRA would be to take fixed interest loans, however, for the General Fund, this could result in interest receipts over the medium and longer-term of the loan which would be below those available in the market. This position is exacerbated by the additional 0.8% discount available from the PWLB for the initial transaction.

On this basis, although some resource is available, it is not anticipated that internal borrowing from the General Fund could be recommended as part of the borrowing strategy for the initial self-financing settlement payment.

The proposal not to internally borrow at this point in time, does not preclude the possibility that it may be advantageous to undertake such borrowing at a future point, i.e. when the business plan requires additional borrowing against the headroom available, at which point the standard PWLB rates may compare less favourably against the rates which the General Fund would seek to charge for any internal loan.

In moving to consideration of external funding sources, as indicated in the table above, the Government's announcement of revised PWLB terms specifically for the self-financing settlement payment is particularly significant. The discounted rate available makes this the most attractive form of external finance available to the Council for this purpose, based on the current published discounted PWLB rates. PWLB rates are revised and re-issued on a twice-daily basis, and hence it will be necessary to review this decision in light of prevailing rates at the date of the payment.

As a result it will be necessary to delegate authorisation to the Director of Resources, to confirm or amend this decision in light of the financial impact of any change in the prevailing rates available on the day.

Loan Portfolio

A simplistic approach could be to seek a single loan for the shortest period possible so as to minimise interest charges, whilst ensuring the loan can be repaid at the end of the term. This would have the advantage of simplifying the associated treasury management activity, but would offer limited flexibility and has the significant risk in that the whole amount would need to be re-financed at a single point in time (therefore at whatever rate is prevalent at that point in time) if further investment in social housing is intended.

One approach to reducing the risk would be to take out multiple loans covering a range of maturity periods, so that the risk in terms of rates prevalent at the point of maturity is spread. The greater the number of loans constituting the borrowing strategy, the greater the resulting flexibility and mitigation of risk, however, this also involves increased treasury management activity.

A prudent approach to scheduling multiple loans would be to ensure that the shortest term sought is in line with the projected point at which the base business plan is capable of repaying the entire initial debt, i.e. year 25. The number of further loans could then be arranged for longer periods based on the relative change in interest rates offered compared to the degree of risk mitigation sought.

Based on the PWLB's current published information, rates do not significantly vary for maturity loans of period from 25 years to a maximum of 50 years. Given this, it is recommended that a portfolio of 20 maturity loans be taken out with periods from 25 to 44 years. Based on each loan being for a similar amount in order to smooth the risk curve, this would result in each loan being for £10,678,600.

In summary, it is recommended that:

- Fixed rate loans are considered as opposed to the variable alternative
- The self-financing settlement is met through external borrowing from PWLB
- The type of loans taken out are maturity loans
- The term of the loans exceed the 25 years within which the base business plan is considered capable of repaying the debt

- A loan portfolio of 20 loans with varying maturity periods, between 25 and 44 years, is taken out to increase flexibility and minimise the risks associated with re-financing

The recommended borrowing strategy involves taking out loans for periods which exceed the point at which the business plan could afford to repay the initial debt. This is felt to be a valid approach in light of the Council's stated intention to seek opportunities to further invest in the level and quality of social housing.

In considering the risks associated with the proposed borrowing strategy, a key factor is the implications of repaying the initial loans at a point earlier than their natural maturity. This may be required for treasury management purposes or to provide greater flexibility within the business plan for future developments.

The external specialist opinion sought from Ernst & Young supports the proposal to borrow long-term from PWLB at the historically low, preferential fixed interest rate offered for the self-financing transaction only.

Premature Repayment of PWLB Debt

All loans held with PWLB, whether Equal Instalments of Principal (EIP), annuity or maturity loan types, can be repaid at an earlier stage than agreed at the time the loans were arranged.

At the point at which an authority determines it is in a position to redeem a loan, PWLB use a discount rate, the rate applicable to premature loan repayment at the point of redemption, to calculate whether the authority should pay a premium, or alternatively receive a discount, for repaying the principal sum early.

The relationship between the rate that the loan was taken out at, and the discount rate applicable at the time of redemption, is key in determining whether a premium is payable or a discount is due. This outcome of this calculation would inform any local decision to redeem a loan early.

The table below demonstrates the potential impact of early redemption at various stages throughout the life of a maturity loan of £10,000,000, assuming an initial loan rate of 3.28% and a loan term of 40 years.

Discount Rate Applicable	Premium Payable / (Discount Receivable) for Loan Redeemed After (X) Years (£)						
	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years	35 Years
2.5%	1,812,317	1,639,349	1,443,502	1,221,750	970,667	686,373	364,476
3%	604,168	551,324	489,996	418,822	336,222	240,361	129,111
3.27%	(0)	(0)	(0)	(0)	(0)	(0)	(0)
3.5%	(441,957)	(406,604)	(364,553)	(314,537)	(255,044)	(184,282)	(100,113)
4%	(1,349,950)	(1,251,392)	(1,131,250)	(984,797)	(806,272)	(588,652)	(323,373)
4.5%	(2,140,007)	(1,997,686)	(1,819,898)	(1,597,805)	(1,320,365)	(973,786)	(540,839)
5%	(2,829,216)	(2,658,144)	(2,439,159)	(2,158,839)	(1,800,055)	(1,340,668)	(752,677)

As the table indicates, if the discount rate applicable at the point of redemption is equal to the initial loan rate, a break-even point would be achieved with no sums required to change hands. If the discount rate is lower than the loan rate, a premium is payable and if it is higher, a discount is receivable by the authority.

If the view is held that interest rates are currently at the lowest point they are likely to achieve and that the direction of travel over time will be upward, any decision to redeem debt early is most likely to deliver a benefit to the local authority, in the form of receipt of a discount for early redemption.

This view would indicate that borrowing for a longer period at the current low rates offered, provides additional flexibility in terms of not only releasing resource for alternative investment during the life of the business plan, but also by recognising the potential benefit or repaying debt prematurely should balances be available to do so.

Changes to Treasury Management Strategy Statement

In light of the Government requirement for relevant authorities to make a payment to Central for the purposes of HRA self-financing on 28 March 2012, the 2011/12 Treasury Management Strategy Statement has been amended. It was originally anticipated that the payment would

be required on 1st April 2012. Following lobbying by local authorities, CLG has agreed to recompense authorities for the additional interest cost associated with the earlier payment.

The revised strategy takes account of the additional borrowing required in addition to the current authorised borrowing limit of £10m for cashflow purposes. As the final determination of the Council's payment to Central Government under the HRA self-financing arrangements was not known at the time, authority was sought to increase the borrowing authority up to a limit of £250m.

The resulting Treasury Management Strategy Statement was as follows:

Borrowing Strategy

In light of the Government requirement for relevant authorities to make a payment to Central Government for the purposes of HRA self-financing on 28 March 2012, there will be a major borrowing requirement of up to £250m arising in 2011/12.

The Council will be obtaining specialist advice to assist in determining the most appropriate funding strategy associated with this payment. A report will be prepared for members detailing the outcome of this work and its conclusions.

Section 10

Business Plan Options, Sensitivities and Resulting Budgets

Base Assumptions

In arriving at the final financial model for the Housing Revenue Account in a self-financing environment, which is included for approval as part of the budget for 2012/13, it has been necessary to make a number of base assumptions.

In all cases, the base assumptions included are derived from the best information available at the current time, utilising both historic trend data and the expert advice and opinion of specialists in the field of housing finance, lending and borrowing and asset management.

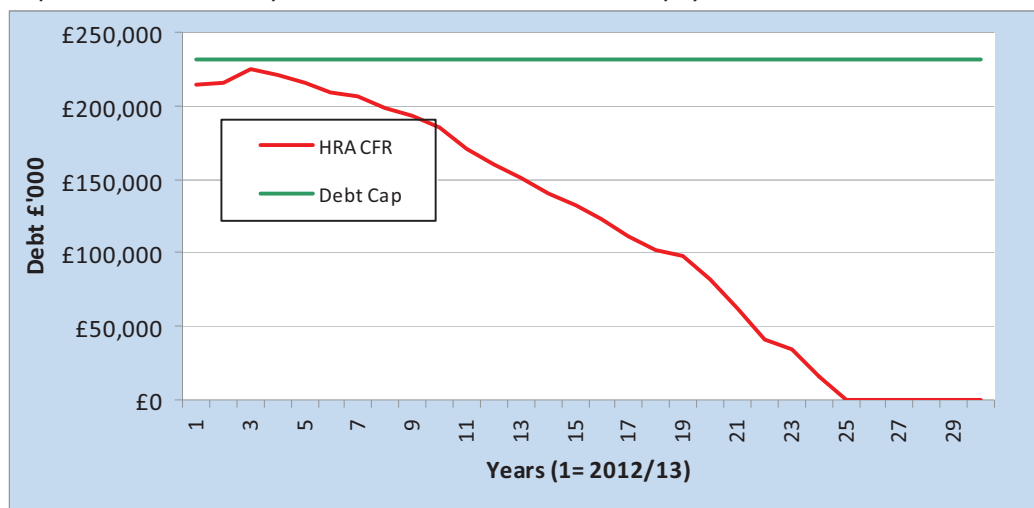
The base financial assumptions included in the financial model are included at [Appendix E](#), and provide the indicative financial position detailed in the graphs below. In addition to a number of financial assumptions, the following key items are included in the base model:

- Investment in the existing housing stock moves from a basic decent homes standard to an investment standard during the first 10 years of the business plan
- The fixed term (two year) additional investment allowing employment of two additional staff in the area offices to tackle rent collection and arrears recovery, included as a budget bid in the 2012/13 budget process, continues on a permanent basis throughout the life of the business plan
- The 146 units of affordable housing regeneration, re-development and in-fill (including the re-development of Seymour Court), which have already received indicative HCA grant funding are delivered in years 1 to 3 of the business plan

- The potential, subject to scheme viability, for the HRA to deliver the affordable housing on the Clay Farm site generates an additional 104 units of housing in year 4 of the business plan
- A loan portfolio of 20 loans with varying maturity periods, between 25 and 44 years, is taken out to increase flexibility and minimise the risks associated with re-financing

As Graph 1a below demonstrates, subject to the financial assumptions in the business plan, the base model would allow debt to be fully redeemed by year 25, should the authority choose to do this.

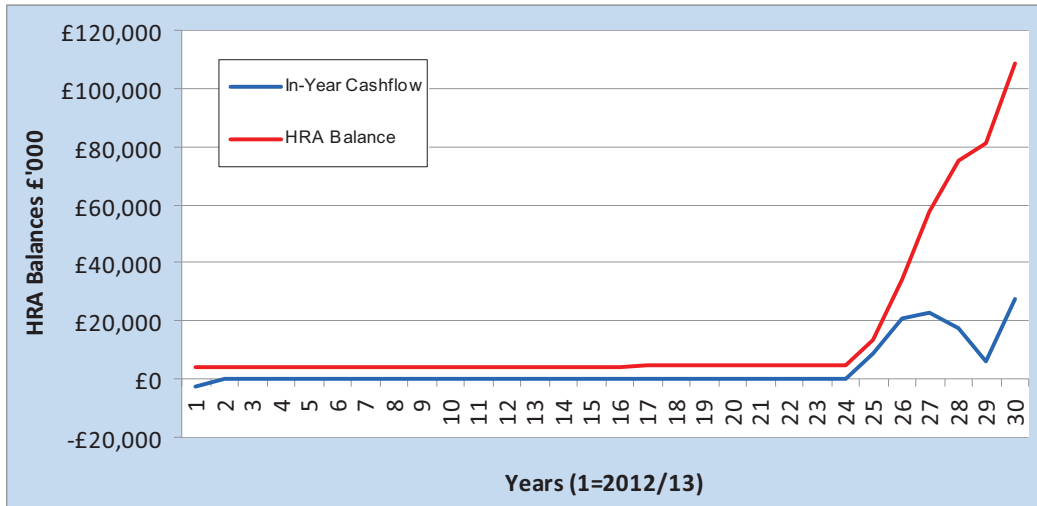
Graph 1a – Base Assumption Model Debt Curve if Debt Repayment is Maximised



The graph above also shows the maximum level of debt that the Housing Revenue Account would be allowed to hold at any point in time. This debt cap figure was confirmed as part of the final HRA self-financing settlement announcement at the level of £230,839,000.

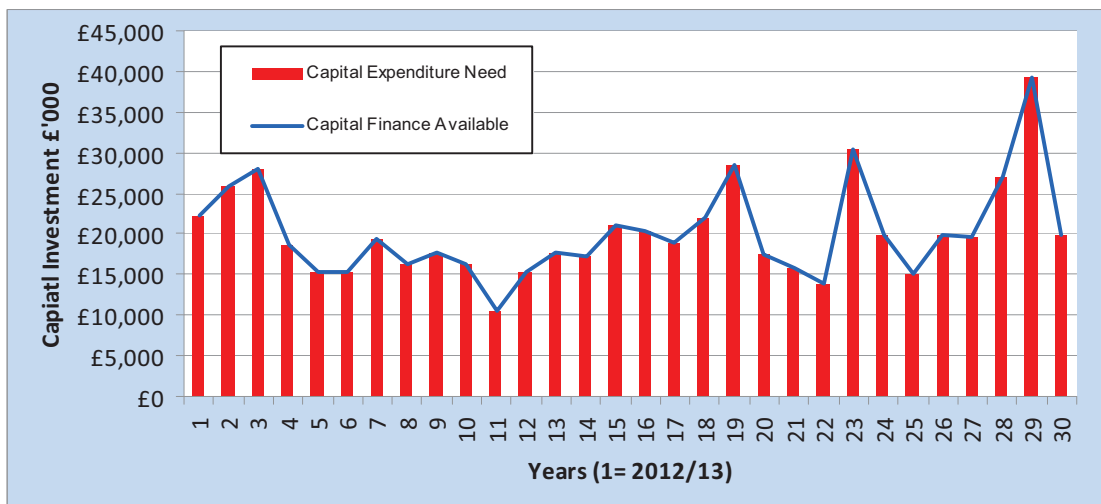
Graph 1b shows the cashflow position for the HRA over 30 years with the base assumptions included.

Graph 1b – Base Assumption Model Cashflow Assumptions



Graph 1c demonstrates the ability to meet the capital investment need currently identified throughout the life of the plan.

Graph 1c – Base Assumption Model Capital Investment Profile



Sensitivities

For every figure used in the base assumption made in the Business Plan, there are an infinite number of alternative values that could have been used. It is impossible to predict everything that may occur which could affect the financial viability of the business model, or even to model all permutations of each of the key sensitivities that have been identified.

To demonstrate the potential financial impact of the identified key sensitivities, the table at [Appendix F](#) indicates the change in the HRA's ability to pay off the debt, with the base model being amended for each sensitivity independently. This will identify only the impact of a single assumption change, and not the compound impact of multiple sensitivity changes.

The results identify that the business model is less sensitive to changes in inflation rates, as long as the direction of travel in inflation rates for both expenditure and income follow the same trajectory. It is clear, however, that a small change in the assumptions around just one, i.e. a reduction in rental income received or an increase in a key area of expenditure, quickly has a major impact of the financial viability of the business plan.

Options

The base model that has been included for approval includes the recommendation to take out a portfolio of maturity loans, to provide future flexibility and potential capacity in the business plan.

The stated aims of the housing service, which seeks to achieve a balance of investment in housing assets and services in line with identified local priorities, incorporate:

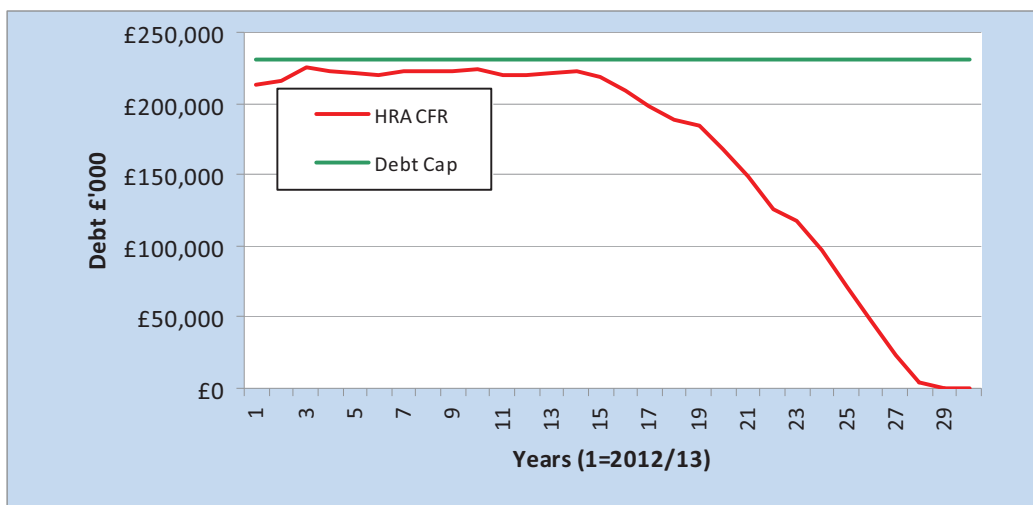
- Investment in the existing housing stock
- Investment in new affordable housing
- Investment in new initiatives and income generating activities
- Spend on landlord service (i.e. housing management, responsive and void repairs)
- Spend on discretionary services (i.e. support)
- Repayment of housing debt

The graphs below demonstrate an alternative investment scenario to give an indication of the level of flexibility that might be available during the life of the plan. The scenario includes all of the base assumptions as detailed above, such as investing in the existing housing stock at an investment standard, completing the 146 units of new build which have indicative HCA grant funding and delivering the affordable housing on the Clay Farm site (104 units), but also assumes:

- Delivery of an additional 400 new build, affordable homes between years 6 and 15 of the business plan (Increasing the total new build achievable to 650).
- Ongoing investment of an additional £200,000 in housing services or new initiatives, with the view that this could be added to in future years if any of the initial investment is in income generating activity or reduces future anticipated costs.
- The business plan still has sufficient resource to redeem the initial loan portfolio before the end of the 30-year period.

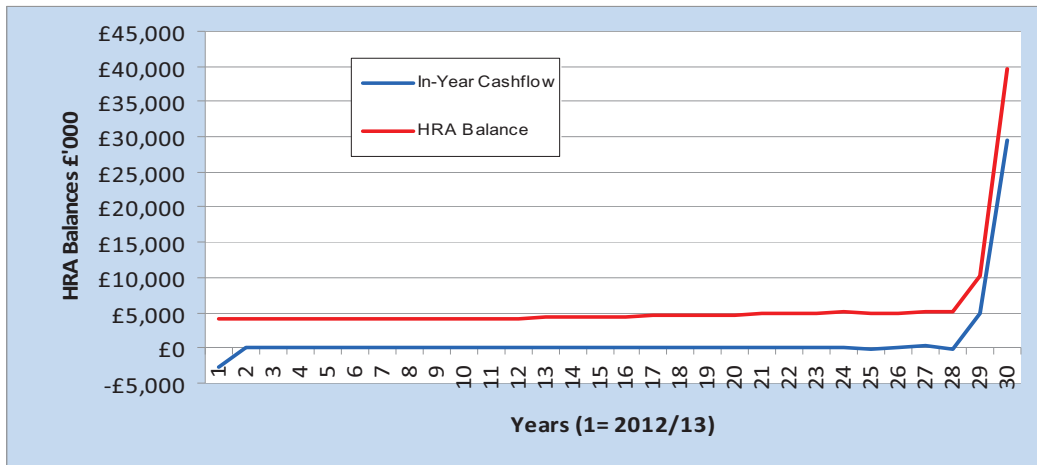
As Graph 2a below demonstrates, with the loan portfolio proposed, there is sufficient resource in the business plan not only to deliver the additional investment identified above, but also to accumulate funds to pay off the outstanding maturity loans by year 29. Alternatively the authority could choose to take out new loans, up to the level of the debt cap in order to provide additional investment in new and existing stock.

Graph 2a – Aspirational Option Model Debt Curve if Debt Repayment is Maximised



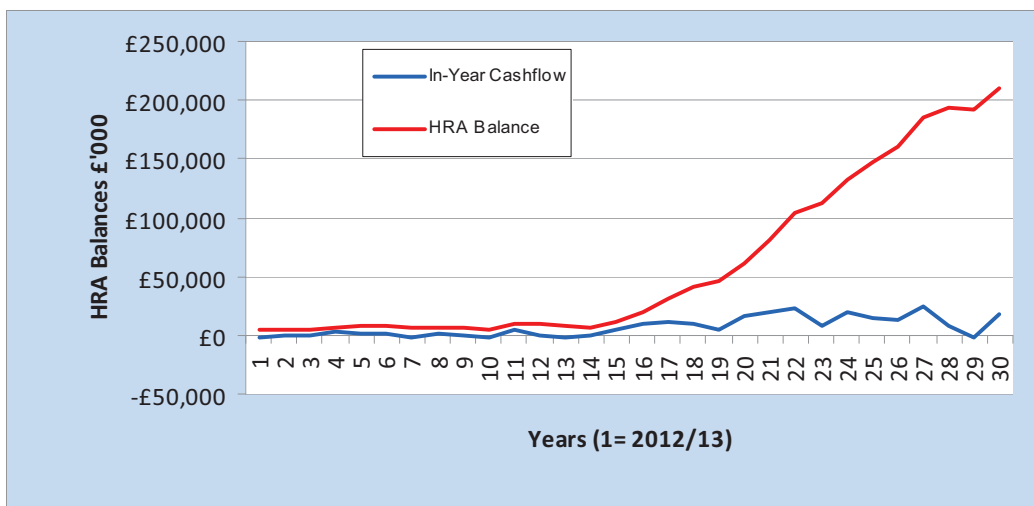
The anticipated cashflow projection, as shown in Graph 2b below indicates that once loans are redeemed, cash balances begin to accumulate again from year 30.

Graph 2b- Aspirational Option Cashflow



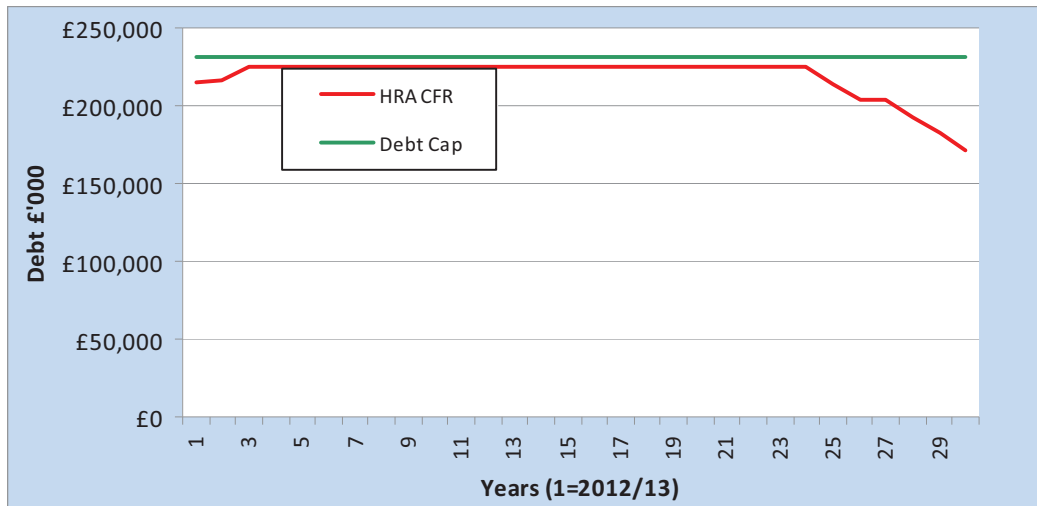
Graph 2c shows the speed at which the surpluses would be expected to accumulate over the 30 year period. This will allow the authority to redeem the loans or alternatively to re-invest in the housing business, if a decision were taken to take out new loans at the point of maturity. By year 29, an estimated £190 million would be available.

Graph 2c – Aspirational Option Model with Cashflow Matched to Loan Profile



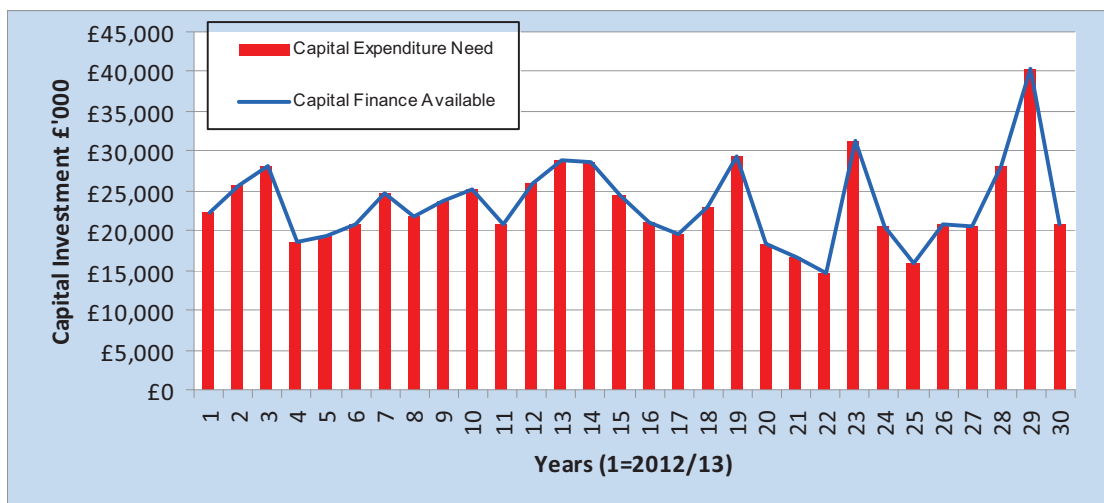
Graph 2d demonstrates the profile of the treasury debt that would be held by the HRA, with approximately £183 million outstanding in year 29. The HRA treasury debt line represents the initial borrowing from PWLB, with the red line showing the total borrowing requirement including further borrowing to fund the aspirational investment outlined above.

Graph 2d - Aspirational Option Model Debt Profile



Graph 2e demonstrates the ability to meet the increased capital investment, including the additional new build affordable housing identified in the option above.

Graph 2e – Aspirational Option Model Capital Investment Profile



Revenue and Capital Budgets

[Appendix G](#) summarises the revenue budget position for the HRA for the period between 2012/13 and 2016/17, based upon inclusion of the financial assumptions that form part of the base self-financing business plan.

[Appendix H](#) provides detail of the 5-Year Housing Capital investment Plan, while [Appendix I](#) summarises the anticipated capital investment over a 30-year period.

Appendix A (Section 2)

Risk Management

Risks for the Housing Revenue Account are evaluated and scored against the following criteria:

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

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

Cambridge City Council – Risk Matrix

Total risk scores, combining the scores for impact with the likelihood of the risk occurring are monitored against the matrix below:

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

The new organisational risk categories ensure that risks are captured in such a way that the most appropriate part of the organisation can monitor both the risks and the associated mitigation activity, responding quickly to any increase in score to minimise the potential impact on the business.

Risk Category	Risk Description
Growth	Opportunity to influence the growth agenda to ensure the Council meets its Objectives.
Financial	Failure to effectively manage the Council's assets and finances including budget monitoring, financial priorities, medium/long term planning, fraud prevention.
Health & Safety	Failure to manage health and safety effectively leading to a prosecution under the Corporate Manslaughter Act or other health and safety legislation.
Major Projects	Failure to adequately manage and control major

Risk Category	Risk Description
	CCC projects.
Climate Change	Failure to meet Council's climate change commitments.
Recruitment & Retention	Failure to recruit and retain adequate number of suitable staff leading to key person dependency and loss of capacity building opportunities.
Legislation	Failure to ensure compliance with legislation.
Business Continuity	Failure to adequately plan and manage processes for unforeseen events (Civil Emergency Plan, Business Continuity Plans, IT failure)
Reputation	Damage to Council's reputation through adverse media coverage.
Partnerships	Failure to adequately manage and control partnerships working and joint agency activity and key contractor relationships.
Equalities/Social Exclusion	Failure to manage equalities/social exclusion (including duties for specific vulnerable groups).
Political	Ineffective political leadership, policy development and community leadership; member support.
Officer/Member Relationships	Ineffective officer/member working relationships.
Planning & Leadership	Opportunity to maintain and continue to improve Council efficiency through clear strategic focus, planning and leadership.
Governance *	Inappropriate internal governance.
Procurement & Contract Management	Failure to ensure effective procurement and contract management arrangements.
IT & Technology	Failure to properly manage IT, data and the Council's website.
Change Management	Ineffective management of change, inadequate capacity and knowledge.
Physical Property & Assets	Failure to properly manage property and other assets, to prevent damage, loss or theft.

Appendix B (Section 2)

Key Risk Analysis

Risk Area & Issue arising	Controls / Mitigation Action
Effects of Legislation / Regulation	
<p>Implications of new legislation / regulation or changes to existing are not identified.</p> <p>Funding is not identified to meet the costs associated with changes in statutory requirements.</p> <p>HRA Debt Settlement could be re-opened by Government</p>	<p>Effective processes are in place across the Council to ensure that implications are identified and raised. Additional / specific funding enhancements for new services are earmarked for that purpose, to ensure effective implementation</p> <p>The Council has processes in place to manage the demands of local and national housing agendas, including the Vision Statement, MTS and HRA Business Plan</p>
Housing Portfolio & Spending Plans	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets.</p>	<p>Council has adopted medium and long-term modelling (up to 30 years) for HRA, to ensure decisions are made in the knowledge of long-term deliverability issues / implications</p> <p>Council has a policy of requiring R&R Funds to be in place to cover all major assets with a finite life, with long-term programmes for key areas</p> <p>The Business Plan and Medium Term Strategy include long-term trend analysis on key cost drivers such as growth levels and demographics, and their implications</p> <p>Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures</p>
Financial planning lacks appropriate levels of prudence	
<p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital & Revenue Projects Plan is not available</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> • Use of external expert opinion and detailed trend data to inform assumptions • Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process • Adoption of strict medium / long-term planning • Policy on applying capital receipts for strategic disposals only at point of receipt

Risk Area & Issue arising	Controls / Mitigation Action
External income / funding streams	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p> <p>Rent and service charge arrears increase and bad debt rises, as a direct result of the Welfare Benefit Reforms</p> <p>Rent income is under-achieved due to a major incident in the housing stock</p> <p>Changes to the right to buy rules and pooling regulations result in a significantly reduced capital receipt for housing purposes</p> <p>Fees and charges income is adversely affected by the economic downturn</p> <p>The economic downturn reduces the ability to fund capital pressures from the sale of assets</p>	<p>Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis on potential changes</p> <p>Council seeks to influence national settlements and legislative changes through response to formal consultation and the provision of information to negotiation bodies such as LGA</p> <p>Increased resources identified for income management</p> <p>Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of incident</p> <p>Council seeks to influence national settlements and legislative changes through response to formal consultation and the provision of information to negotiation bodies such as LGA</p> <p>Sensitivities modelled so potential impacts are understood</p> <p>Specialist consultancy support is used to assist in the modelling of the impact of key changes</p>
Use of resources including Projects and Partnerships	
<p>There is ineffective use of the resources available to the Council</p> <p>Failure to deliver Major Housing / Development Projects, i.e; return on capital, project on time etc.</p>	<p>Council employs robust business planning in key activity areas</p> <p>Council has adopted a standard project management framework</p> <p>Housing Service is required to contribute to Portfolio Planning process, linked directly to resources</p> <p>MTOs are used to prioritise available resources ensuring best match with objectives</p> <p>Performance and contractor management procedures have been updated</p> <p>Organisational development and workforce planning activity is being targeted</p> <p>The Council has been recognised as a high performer under the national Use of Resources assessment, scoring a maximum rating of 4 in 2008</p>

Appendix C (Section 7)

Housing Revenue Account

Rent Setting Policy

1 Introduction

The purpose of this policy is to explain how Cambridge City Council will set rent levels for its properties.

2 Policy Statement

Cambridge City Council's Rent Setting Policy focuses around the following statements of principle:

The Council will set rents in accordance with Government rent restructuring policies and guidance.

Rents are set at a level that ensures that the Council can meet its landlord obligations to tenants, maintaining stock to the Decent Homes Standard, while delivering a financially viable Housing Revenue Account over the longer term.

Rents are set to ensure that the Council moves actual rent levels towards rent restructured target rents in line with the Government's target date for convergence.

3 Policy Objectives

The objectives of the rent setting policy are:

- To identify how Cambridge City Council will set rents for general stock properties
- To identify how Cambridge City Council will set rents for shared ownership properties

- To identify how Cambridge City Council will set rents for garages and parking spaces
- To comply with the Government's rent restructuring policy
- To identify the process for providing statutory notice to tenants of proposed changes in rent levels

4 Background

Rent restructuring was introduced with effect from April 2002, following the Government's policy statement in December 2000 when Ministers published "The Way Forward for Housing".

The Government's aim is to ensure consistency in the calculation of rent across local authorities and Registered Social Landlords (RSLs), ensuring that social rents are more affordable, fairer and less confusing for all tenants.

The rent restructuring policy requires rents to be set based upon formula driven by a combination of relative county earnings and relative property values.

5 Detailed Implementation

In line with the rent restructuring policy, Cambridge City Council calculates a 'target' rent for each individual property based on the Government's 'target' rent formula as set out below:

- 70% based on the average county-level manual earnings compared with the national average manual earnings;
- 30% based on the January 1999 property valuation of an individual property, compared with the national average value of a social housing property;
- An additional 'weighting' based on the number bedrooms in the property.
- A weekly rent cap for properties based upon the number of bedrooms in the property.

Actual rents currently charged below target rents will move towards target rents in accordance with the Government's assumptions for guideline rent convergence.

6 Annual Rent Increases

In line with the Council's tenancy conditions, tenants will be given 4 weeks written notice of any change in rents, which will usually be effective from the annual date for rent increases, being the first Monday in April of each calendar year.

Annual rent increases currently comprise, in line with the guidelines, two elements:

Inflation plus 0.5% across all properties (based on the retail price index (RPI) inflation rate for the preceding September)

Increase (or decrease) in an attempt to ensure rent convergence over the convergence period, under rent restructuring guidelines (limited to a maximum of £2 per week on a 52 week basis)

Rent will be due on each Monday during the rent year (52 or 53 weeks), but will be raised on rent accounts across 48 chargeable weeks for collection purposes.

7 General Needs, Sheltered and Supported Housing

Cambridge City Council does not currently apply the 5% flexibility in formula rents (10% for sheltered / supported housing), but will review this practice on an annual basis, with any change proposed only after consultation.

Rents in respect of routine void properties will continue to be phased towards target rents in line with other properties in the area.

Rents for properties which have undergone a material change, full refurbishment or rebuild, (i.e.; sheltered scheme refurbishment, property extension or conversion) will be set immediately at target rents, reflecting the increased investment and condition of the property.

Rents for all new build properties will be introduced immediately at either target or Homes & Communities Agency approved rent levels, reflecting the initial investment and condition of the property.

8 Shared Ownership Housing

Rents for shared ownership properties will be amended in line with the requirements of the lease.

Target rents will be reduced by 20%, in line with the terms of the shared ownership lease, to reflect the tenant's liability for repairs to the property.

Rents will be increased (or decreased) in line with government guidelines for rent restructuring as far as possible within the terms of the lease, with a maximum increase of inflation (RPI at the preceding September) plus 0.5% plus a proportion of £2 directly relational to the share retained by the Council.

Rents in respect of routine void properties will continue to be phased towards target rents in line with other properties in the area.

Rents for all new build properties will be introduced immediately at target rent levels, reflecting the initial investment and condition of the property.

9 Garages

Rent levels for garages and parking spaces will be reviewed annually as part of the budget process, set according to demand.

VAT will be applied to all private garages, ie; garages or parking spaces let to those who are either not housing tenants of Cambridge City Council or are tenants where the garage is not in the immediate proximity of the tenanted dwelling.

10 Monitoring

The setting of all rents will be monitored and reviewed annually by Housing Management Board, with decisions in respect of rent setting being made by the Executive Council for Housing.

11 Review of the Rent Setting Policy

The Rent setting policy will be reviewed by officers at a minimum of every 3 years, with any changes being presented to Housing Management Board for scrutiny and approval by the Executive Councilor for Housing.

Policy Date January 2012

Review Date January 2015

Appendix D (Section 9)

HRA Services Performance Indicators 2011/12 onwards

code	Description	10/11 actual	11/12 target	12/13 target	comments
Existing Homes					
DH1	% non-decent council homes	0%	0%	0%	0% non-decency expected to be maintained from 2010/11 onwards
Repairs & Maintenance					
RM1	% repairs completed within the target time: a) Emergency b) Urgent c) Routine	a) 96.4% b) 82.4% c) 86.5%	a) 99% b) 98% c) 98%	a) 99% b) 98% c) 98%	
RM2	% of responsive repairs where an appointment was made & kept: a) appointments made of those; b) appointment kept	a) 49% b) 94%	a) 80% b) 99%	a) 80% b) 99%	An upgrade of the Orchard system is required to generate 1-hour appointment slots
RM4	% of responsive repairs where the target date has been extended	NA	<7%	<7%	
RM5	Average cost per responsive repair	£111.34			Monitored annually via Housemark Core Benchmarking
RM6	Turnover per Operative	TBA	>£75k	>£75k	
RM7	Number of properties without a valid gas safety certificate	0	0	0	
Void turnaround					
V1	Voids: quality of void at the time of final inspection	TBA			as determined by the tenant inspectors - we are currently reviewing the void inspection process with the tenant inspectors.
V2	Average time taken to re-let local authority housing: a) Repair Time (days) b) TM Time (days) c) overall	a) 16 b) 18 c) 27	c) 35	c) 35	
V3	Average time taken to turn around management voids	NA	TBA	TBA	to address the rent lost through poor longer-term void turnaround time
V4	Average cost per void repair	£2,730	TBA	TBA	Monitored annually via

code	Description	10/11 actual	11/12 target	12/13 target	comments
					Housemark Core Benchmarking
Satisfaction					
ES1	Satisfaction with Estate Services	NA	TBC	TBC	Housemark requirement
RM3	How satisfied was the resident with the completed repair	93%	95%	95%	Based on repair slip returns
CS3	Percentage of respondents fairly satisfied or very satisfied with the way their ASB case was handled	76%	77%	78%	Target based on median Housemark quartile
RI1	STAR: Satisfaction of tenants with the services provided by their landlord a) Overall. b) from BME respondents. c) from non-BME respondents.	a) 82% b) 74% c) 82% (2008)	TBA		STAR tenant satisfaction survey to be completed on 2011/12
RI2	STAR: satisfaction of tenants that their landlord listens to tenant views and acts upon them	NA	New		STAR tenant satisfaction survey to be completed on 2011/12
RI3	STAR: satisfaction of tenants with the VFM of their rent	NA	New		STAR tenant satisfaction survey to be completed on 2011/12
Income Management					
IM1	Proportion of rent collected	98.50%	98.60%	98.70%	Rent collection continues to improve in a climate of economic uncertainty and changes to the benefit system.
IM2	Total tenant arrears as a % of rent due (includes current & former tenant arrears)	4.18%	4%	3.75%	The challenge is to reduce the amount owed by former tenants either by collection or robust write off procedure.
IM3	% of tenants evicted due to rent arrears	0.33%	0.25%	0.25%	The number of evictions remains low and we will continue to strike a balance between support and enforcement.
IM4	% of tenants with some rent to pay, paying their rent with DD	46.60%	50%	55%	Direct debit is the most cost effective way for the Council to collect monies due (inc property and garage rents)
Housing Need					
CBL1	Verify Home-Link applications within 28	46 days	28	28	

code	Description	10/11 actual	11/12 target	12/13 target	comments
	working days of receipt (ave days) (Home-link Service Standard)		days	days	
CBL2	Assess cases referred for medical priority within 28 working days (ave days) (Home-link Service Standard)	44 days	28 days	28 days	

Energy Efficiency

EE1	Number of renewable energy installations on LA stock	11	16	18	
EE2	Average SAP rating for the whole housing stock: a) CCC	a) 75	TBC	TBC	Now using new software that utilises SAP 2005 methodology (results will reduce in line with the new scale) - targets TBC
EE3	%CCC properties with a SAP rating below 35	a) 100	a) 0	a) 0	
EE4	Green Deal: TBA	TBA	TBA	TBA	The Government's Green Deal is due later in 2011. The outcome of this may have an impact on the data we are required to collect. The PI's above may therefore change

Community integration

CS1	Number of racial incidents recorded by the authority per *100,000 population.	23	NA	NA	
CS2	Percentage of racial incidents that resulted in further action.	100%	NA	NA	
CS4	Direct cost per case of ASB	£1,372			Produced from Housemark benchmarking data

Service quality

SS1	Number of Housing complaints responded to within 7 days	96%	100%	100%	The corporate standard is response or acknowledgement within 7 working days.
SS2	Number of Housing letters needing a reply responded to within 7 days	99%	100%	100%	The corporate standard is response or acknowledgement within 7 working days.
SS3	Corporate Answer Rate - Local PI of answering external calls in 12 seconds (%): a) Housing b) City Homes North	a) 86.2 b) 85.5 c) 77.4	87%	87%	The Corporate target is 87%.

code	Description	10/11 actual	11/12 target	12/13 target	comments
	c) City Homes South	(Mar)			
SS4	Busy calls: a) Housing b) City Homes North c) City Homes South	a) 6.7 b) 7.3 c) 9.5 (mar)	<5%	<5%	
SS5	Unanswered calls: a) Housing b) City Homes North c) City Homes South	a) 5.4 b) 3.0 c) 2.1 (mar)	<2%	<2%	
SS6	Customer Service Centre: % of calls resolved at first point of contact: a) Homelink b) Housing Management c) Housing needs & options d) Repairs	a) 86% b) 85% c) 77% d) 94%	80%	80%	This shows calls that did not need to be escalated on to another member of staff

Appendix E (Section 10)

Business Planning Base Assumptions

Key Area	Assumption	Comment
General Inflation	2.5%	General inflation on expenditure and other income - included at 2.5% (Government projection of level of RPI for 2012), from 2013/14 for the life of the plan.
Capital Programme Inflation	4.5%, then 3%	Real increase above RPI of 2% for 5 years as per advice given by Savills, then 0.5% above from 2018/19.
Capital Investment	Investment Standard	Base model assumes an investment standard in the housing stock, compared with a basic decent homes standard, recognising long-term benefits of pro-active rather than re-active investment.
Pay Inflation	4.4%	Assume allowance for increments only in 2012/13 at 1.9%, re-introducing allowance for pay award at 2.5% from 2013/14 onwards.
Employee Turnover	3%	Employee budgets - assume an employee turnover saving of 3.0% of gross pay budget for office-based staff.
Rent Increase Inflation	3%	Rent increases assumed in line with government guidelines of RPI at preceding September plus 0.5%. Assume RPI at 2.5%.
Rent Convergence	2015/16	Convergence with target rent assumed in 2015/16, although limits on individual increases inhibit achieving this locally.
External Borrowing Interest rate	3.17% to 3.29%	Assumes a portfolio of 20 fixed rate maturity loans with PWLB at pre CSR 2010 preferential rates, maturing annually from years 25 to 44.
Internal Borrowing Interest Rate	1.81%, 3.31%, then 3.75%	Assume a rate which matches that anticipated to be receivable from the market for lending. Assume 3.75% from 2014/15.
External Lending Interest Rate	1.81%, 3.31%, then 3.75%	Interest rate – based on latest market projections (on average 1.81% for 2012/13, 3.31% for 2013/14 and 3.75% from 2014/15).
HRA Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, recognising increased risks in HRA Self-Financing environment.
Right to Buy Sales	10 to 17 per annum	In line with assumptions in CLG settlement model, with 10 in 2012/13, increasing over 30 years to 17 per annum.
Right to Buy Receipts	Excluded from the model	Right to buy receipts are excluded from the model pending the outcome of the CLG consultation on changes to the right to buy legislation. Any receipts received would be used to meet existing General Fund Housing commitments and to deliver replacement new build housing.
Void Rates	1.25%, then 1%	Assumes continued higher void rate of 1.25% for 3 years, until sheltered housing refurbishment programme and Seymour Court / Roman Court developments and complete. 1% assumed from 2015/16 onwards.

Key Area	Assumption	Comment
Bad Debts	0.56%, then 1.12%	Based upon historic bad debt provision made in the HRA for 2012/13, increased by 100% to reflect the requirement to collect 100% of rent directly from 2013/14. Assumes an extension of the existing rent payment profile across the entire housing stock.
Rent Collection Transactional Costs	An increase in transactional costs of £100,000 per annum from 2013/14	An increase of £100,000 per annum has been included from 2013/14, recognising the increase in transactional collection costs associated with the requirement to collect 100% of rent directly from tenants, as opposed to receiving approximately 50% via housing benefit as currently happens.
Debt Management Expenses	£151,000 per annum	Assume debt management expenses in line with allowance made in the debt settlement. Cost will be lower if single PWLB loan taken out.
New Build Programme	250 Units	Assumes delivery of the current 3-year affordable housing investment programme of 146 units, where HCA grant funding has been approved and an additional 104 units on the Clay Farm site in year 4/5 of the business plan.
Savings Target	0%	No savings target included in base model, with the assumption that efficiencies will be driven out to allow strategic re-investment in new assets, existing assets and housing services.
Policy Space	0	No policy space included in base model, with assumption that any policy space required would need to be created through the generation of savings.
Service Reviews	Per budget savings proposals	The HRA Business Plan assumes that the outcomes of service reviews will deliver ongoing benefit to the HRA as indicated in the budget process for 2012/13 and beyond.

Appendix F (Section 10)

Business Planning Key Sensitivity Analysis

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
Interest Rates	PWLB fixed rate 30 year annuity loan	Assume fixed rate loan over 30 years, with increase of 1% in interest rates from the outset	The ability to repay the debt is extended from year 25 to year 30. Borrowing up to the debt cap would be required by year 3, to meet the capital investment need identified.
General and Rents Inflation	General Inflation using RPI at 2.5% for expenditure and rents base, as per latest government projections	Volatility in the economy could lead to an increase in inflation. 1% increase in general and rents base inflation for the life of the plan	Ability to repay debt brought forward from year 25 to year 22.
Capital Investment Inflation	Capital Investment Inflation at 2% for 5 years and then at 0.5%	A real increase of 2% is allowed for building inflation until 2017/18 in line with existing external procurements. Assume that real inflationary increase of 0.5% is not required from 2018/19 for the remainder of the plan, assuming benefits of long term procurement	Ability to repay debt brought forward from year 25 to year 24.
Rent Increases	Rent increases of RPI plus 0.5% with convergence in 2015/16 as per government guidelines	The government set rent guidelines which are expected to be followed and are built into the model. Local decision could deviate from the prescribed guidelines. Assume 0.5% lower rent increases for existing stock for the life of plan	Inability to repay debt within the life of the plan, but estimated to be extended from year 25 to approximately year 40.
Employer's Pension Contribution	Business Plan includes provision for increases of 0.75% from 2011/12 to 2016/17	Assumptions on life expectancy and negative market effects on the value of assets in the Pension Fund leading to increased employer contribution requirements above the level of provision already made. Assume an additional 1% in pension provision.	£3 million reduction in balances over the life of the plan, with no change in ability to repay the debt in year 25.
Right to Buy Sales (Revenue Impact)	Numbers assumed in line with CLG settlement of 10	Proposals to re-invigorate the RTB scheme could see sales levels increase. For example, 10 years ago over 100 sales per annum	The ability to repay debt is extended from year 25 to year 27.

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
	rising to 17 per annum	were realised. Assume that the changes, with a proposed increase in maximum discount from £34,000 to £50,000, has the impact of doubling the number of right to buy sales, with the current pooling arrangements still in place	
Investment Income	Business Plan assumes interest on balances increasing to 3.75% by 2014/15	Rates may fail to recover as anticipated, or fall further. Assume ongoing rate of 2% achieved.	£8 million reduction in balances over the life of the plan, with no change in ability to repay the debt in year 25.
Housing Rent Collection and Welfare Benefit Reforms	Budgeted costs based on historic levels of enforcement activity, but an increased level of transactional collection costs.	Economic climate may require an increase in enforcement activity. Welfare Benefit Reforms will result in 100% more rent being required to be collected directly from tenants. Assume, in addition to the increase in transactional costs built into the base, additional staffing costs of £110,000 per annum from 2013/14.	The ability to repay debt is extended from year 25 to year 26.
Rent Restructuring and Rent Setting Policy	Rents increased in line with Rent Restructuring and CCC Rent Policy	An assumption that rents for void properties are moved straight to target rents	Generates an estimated additional £4 million, by delivering short-term financial benefit that could be offset against investment.

Appendix G (Section 10)

HRA Summary Forecast 2012/13 to 2016/17

Description	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Income					
Rental Income (Dwellings)	(32,828)	(34,609)	(36,359)	(38,848)	(40,564)
Rental Income (Other)	(1,023)	(1,049)	(1,075)	(1,102)	(1,130)
Service Charges	(2,309)	(2,361)	(2,414)	(2,468)	(2,523)
Contribution towards Expenditure	(481)	(488)	(497)	(505)	(514)
Other Income	(28)	(31)	(36)	(36)	(36)
Total Income	(36,669)	(38,538)	(40,381)	(42,959)	(44,767)
Expenditure					
Supervision & Management - General	4,704	4,993	5,172	5,381	5,592
Supervision & Management - Special	2,426	2,665	2,591	2,676	2,765
Repairs & Maintenance	6,763	7,091	7,427	7,913	8,398
HRA Subsidy	0	0	0	0	0
Depreciation – t/f to Major Repairs Res.	9,289	9,4307	9,655	10,017	10,249
Debt Management Expenditure	151	155	159	163	167
Other Expenditure	312	521	545	571	592
Total Expenditure	23,645	24,855	25,549	26,721	27,763
Net Cost of HRA Services	(13,024)	(13,683)	(14,832)	(16,238)	(17,004)
HRA Share of operating income and expenditure included in Whole Authority I&E Account					
Interest Receivable	(110)	(135)	(153)	(153)	(152)
Mortgage Interest Receipts	(1)	0	0	0	0
(Surplus) / Deficit on the HRA for the Year	(13,135)	(13,818)	(14,985)	(16,391)	(17,156)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance					
Loan Interest	6,982	6,985	7,093	7,144	7,057
Debt Redemption Premium	301	0	0	0	0
Housing Set Aside	1,090	0	0	3,156	5,490
Depreciation Adjustment	(1,969)	(1,989)	(2,024)	(2,070)	(2,118)
Direct Revenue Financing of Capital	9,333	8,778	9,918	8,183	6,741
(Surplus) / Deficit for Year	2,602	(44)	2	22	14
Balance b/f	(4,559)	(1,957)	(2,001)	(1,999)	(1,977)
Total Balance c/f	(1,957)	(2,001)	(1,999)	(1,977)	(1,963)

Appendix H (Section 10)

Housing Capital Investment Plan (5 Year Detailed Investment Plan)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	2,760	37	0	0	0	0
Disabled Facilities Grants	582	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195	195
Long Term Vacants	20	20	20	20	20	20
Total General Fund Housing Capital Spend	3,557	802	765	765	765	765
HRA Capital Spend						
Decent Homes						
Kitchens	665	691	255	618	598	292
Bathrooms	120	196	128	522	525	119
Boilers / Central Heating	1,553	2,024	1,316	618	2,450	1,688
Insulation / Energy Efficiency	58	100	100	100	100	100
External Doors	378	16	28	129	108	63
PVCU Windows	130	3	339	1,002	1,350	912
Wall Structure	0	15	36	621	63	114
Wall Finishes	479	284	196	319	230	115
Wall Insulation	0	100	100	100	100	100
External Painting	0	0	0	0	0	0
Roof Structure	0	307	300	800	300	322
Roof Covering	934	1,130	544	215	210	274
Chimneys	0	51	39	12	2	1
Electrical / Wiring	304	279	83	91	181	317
Smoke Detectors	0	3	5	19	109	9
Sulphate Attacks	125	102	102	102	102	102
Major Voids	59	56	53	51	48	53

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
HHSRS Contingency	140	150	150	100	100	100
Other Health and Safety Works (Balconies)	464	50	50	50	50	50
Other External Works	0	0	0	3	5	0
Rising Damp / Penetrating Damp	20	0	0	0	0	0
Professional Fees	377	377	377	377	377	377
External Professional Fees	0	19	19	19	19	19
Decent Homes Backlog	0	2,131	3,907	2,131	1,065	3,019
Planned Maintenance Contractor Overheads	0	970	975	960	971	978
Total Decent Homes	5,806	9,054	9,102	8,959	9,063	9,124
Other Spend on HRA Stock						
Garages	66	300	300	300	300	300
Asbestos Contingency	200	200	200	200	200	200
Disabled	915	878	878	878	878	878
TIS Schemes	25	21	21	21	21	21
Communal Areas Uplift	0	546	546	546	546	546
Fire Prevention / Fire Safety Works	1,424	300	300	300	300	300
Hard surfacing on HRA Land - Health and Safety Works	270	150	250	250	150	150
Hard surfacing on HRA Land - Recycling	199	100	0	0	0	0
Communal Areas Floor Coverings	207	100	100	0	0	0
Professional Fees	104	104	104	104	104	104
Lifts and Door Entry Systems	13	13	13	13	13	13
Fencing	116	100	100	100	100	100
Cemetery Lodge	0	50	0	0	0	0
Hanover / Princess Laundry	3	0	0	0	0	0
East Road Garages - Lighting Controls	0	4	0	0	0	0
TV Aerials	8	0	0	0	0	0
Planned Maintenance Contractor Overheads	0	344	337	325	313	313
Total Other Spend on HRA stock	3,550	3,210	3,149	3,037	2,925	2,925

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
HRA New Build / Re-Development						
Teversham Drift	115	0	0	0	0	0
Cockerell Road	14	0	0	0	0	0
Harris Road	5	0	0	0	0	0
Church End	319	0	0	0	0	0
Roman Court	165	578	591	41	0	0
Seymour Court	1,153	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	0	4,510	10,761	2,859	0	0
Clay Farm	0	0	0	10,046	3,617	0
Total HRA New Build	1,771	5,088	11,352	12,946	3,617	0
Cambridge Standard Works						
Cambridge Standard Works	455	200	200	200	200	200
Total Cambridge Standard Works	455	200	200	200	200	200
Sheltered Housing Capital Investment						
Emergency Alarm Service	96	0	0	0	0	0
Talbot House	5	0	0	0	0	0
Ditchburn Place	634	3,224	0	0	0	0
Brandon Court	3,045	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,780	3,224	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	34	227	0	0	0	0
Low Cost Home Ownership	300	300	300	300	300	300
RFR Buy Back	0	330	330	330	0	0
Commercial Property	68	30	30	30	30	30
Total Other HRA Capital Spend	402	887	660	660	330	330

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Total HRA Capital Spend	15,764	21,663	24,463	25,802	16,135	12,579
Total Housing Capital Spend at Base Year Prices	19,321	22,465	25,228	26,567	16,900	13,344
Inflation Allowance for Future Years	0	0	835	1,709	2,010	2,343
Total Inflated Housing Capital Spend	19,321	22,465	26,063	28,276	18,910	15,687
Housing Capital Resources						
Right to Buy Receipts	-344	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	-5,119	0	0	0	0	0
Major Repairs Reserve	0	-7,673	-7,398	-7,529	-7,702	-7,881
Direct Revenue Financing of Capital	-2,972	-9,333	-8,778	-9,918	-8,183	-6,741
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-349	-3,507	-6,596	-1,826	-2,260	-300
Disabled Facilities Grant	-262	-262	-262	-262	-262	-262
Developer's Contributions (Affordable Housing)	-331	0	0	0	0	0
Prudential Borrowing	-283	0	-2,526	-8,238	0	0
Total Housing Capital Resources	-9,660	-20,775	-25,560	-27,773	-18,407	-15,184
Net (Surplus) / Deficit of Resources	9,661	1,690	503	503	503	503
Capital Balances b/f	-13,794	-5,036	-3,346	-2,843	-2,340	-1,837
Use of / (Contribution to) Balances in Year	9,661	1,690	503	503	503	503
Use of balance previously ear-marked for affordable housing	-903	0	0	0	0	0
Capital Balances c/f	-5,036	-3,346	-2,843	-2,340	-1,837	-1,334

Appendix I (Section 10)

Housing Capital Investment Plan (30 Year Summary Investment Plan)

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	37	0	0	0	0	0
Disabled Facilities Grants	2,750	2,174	1,310	1,310	1,310	1,310
Private Sector Housing Grants and Loans	975	430	0	0	0	0
Long Term Vacants	100	40	0	0	0	0
Total General Fund Housing Capital Spend	3,862	2,644	1,310	1,310	1,310	1,310
HRA Capital Spend						
Decent Homes						
Kitchens	2,454	2,911	6,025	10,458	2,062	2,911
Bathrooms	1,490	1,952	756	1,050	1,619	2,736
Boilers / Central Heating	8,096	13,916	13,698	11,324	13,765	9,206
Insulation / Energy Efficiency	500	500	500	500	500	500
External Doors	344	436	331	766	462	582
PVCU Windows	3,606	6,031	4,020	7,890	388	3,585
Wall Structure	849	639	189	1,797	2,265	1,998
Wall Finishes	1,144	1,438	1,257	1,302	1,164	804
Wall Insulation	500	500	0	0	0	0
External Painting	0	0	0	0	0	0
Roof Structure	2,029	1,514	7	7	0	0
Roof Covering	2,373	3,354	4,451	3,204	2,020	6,370
Chimneys	105	2	5	7	60	127
Electrical / Wiring	951	1,247	848	1,723	2,246	4,028
Smoke Detectors	145	245	548	145	245	548
Sulphate Attacks	510	510	510	102	0	0

Description	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
	£'000	£'000	£'000	£'000	£'000	£'000
Major Voids	261	269	270	270	270	270
HHSRS Contingency	600	500	500	500	500	500
Other Health and Safety Works (Balconies)	250	250	250	250	250	250
Other External Works	8	34	13	32	326	716
Rising Damp / Penetrating Damp	0	0	0	0	0	0
Professional Fees	1,885	1,885	1,885	1,885	1,885	1,885
External Professional Fees	95	95	95	95	95	95
Decent Homes Backlog	12,253	5,505	0	0	0	0
Planned Maintenance Contractor Overheads	4,854	5,248	4,338	5,197	3,615	4,454
Total Decent Homes	45,302	48,981	40,496	48,504	33,737	41,565
Other Spend on HRA Stock						
Garages	1,500	500	500	500	500	500
Asbestos Contingency	1,000	500	500	500	500	500
Disabled	4,390	4,390	4,390	4,390	4,390	4,390
TIS Schemes	105	105	105	105	105	105
Communal Areas Uplift	2,730	2,730	2,730	2,730	2,730	2,730
Fire Prevention / Fire Safety Works	1,500	1,200	0	0	0	0
Hard surfacing on HRA Land - Health and Safety Works	950	750	750	750	750	750
Hard surfacing on HRA Land - Recycling	100	0	0	0	0	0
Communal Areas Floor Coverings	200	0	0	300	200	0
Professional Fees	520	520	520	520	520	520
Lifts and Door Entry Systems	65	65	65	65	65	65
Fencing	500	500	500	500	500	500
Cemetery Lodge	50	0	0	0	0	0
Hanover / Princess Laundry	0	0	0	0	0	0
East Road Garages - Lighting Controls	4	0	0	0	0	0
TV Aerials	0	0	0	0	0	0
Planned Maintenance Contractor	1,632	1,349	1,205	1,241	1,229	1,205

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Overheads						
Total Other Spend on HRA stock	15,246	12,609	11,265	11,601	11,489	11,265
HRA New Build / Re-Development						
Teversham Drift	0	0	0	0	0	0
Cockerell Road	0	0	0	0	0	0
Harris Road	0	0	0	0	0	0
Church End	0	0	0	0	0	0
Roman Court	1,210	0	0	0	0	0
Seymour Court	0	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	18,130	0	0	0	0	0
Clay Farm	13,663	0	0	0	0	0
Total HRA New Build	33,003	0	0	0	0	0
Cambridge Standard Works						
Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Total Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Sheltered Housing Capital Investment						
Emergency Alarm Service	0	0	0	0	0	0
Talbot House	0	0	0	0	0	0
Ditchburn Place	3,224	0	0	0	0	0
Brandon Court	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,224	0	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	227	0	0	0	0	0
Low Cost Home Ownership	1,500	1,500	1,500	1,500	1,500	1,500

Description	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
	£'000	£'000	£'000	£'000	£'000	£'000
RFR Buy Back	990	0	0	0	0	0
Commercial Property	150	150	150	150	150	150
Total Other HRA Capital Spend	2,867	1,650	1,650	1,650	1,650	1,650
Total HRA Capital Spend	100,642	64,240	54,411	62,755	47,876	55,480
Total Housing Capital Spend at Base Year Prices	104,504	66,884	55,721	64,065	49,186	56,790
Inflation Allowance for Future Years	6,897	19,443	27,654	44,776	47,140	70,516
Total Inflated Housing Capital Spend	111,401	86,327	83,375	108,841	96,326	127,306
Housing Capital Resources						
Right to Buy Receipts	0	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	0	0	0	0	0	0
Major Repairs Reserve	-38,183	-53,423	-58,674	-66,988	-72,951	-83,805
Direct Revenue Financing of Capital	-42,953	-28,760	-21,891	-39,043	-20,565	-40,691
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-14,489	-1,500	-1,500	-1,500	-1,500	-1,500
Disabled Facilities Grant	-1,310	-1,310	-1,310	-1,310	-1,310	-1,310
Developer's Contributions (Affordable Housing)	0	0	0	0	0	0
Prudential Borrowing	-10,764	0	0	0	0	0
Total Housing Capital Resources	-107,699	-84,993	-83,375	-108,841	-96,326	-127,306
Net (Surplus) / Deficit of Resources	3,702	1,334	0	0	0	0
Capital Balances b/f	-5,036	-1,334	0	0	0	0
Use of / (Contribution to) Balances in 5-Year Period	3,702	1,334	0	0	0	0

Description	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
	£'000	£'000	£'000	£'000	£'000	£'000
Use of balance previously ear-marked for affordable housing	0	0	0	0	0	0
Capital Balances c/f	-1,334	0	0	0	0	0

Appendix J (Section 10)

Areas of Uncertainty

Housing Revenue Account – Revenue Uncertainties

Review of the HRA - Self-Financing for the HRA

The introduction of self-financing for the HRA from April 2012, removes the annual uncertainty that existed as part of the national HRA Subsidy System, but brings with it a number of new uncertainties, including the potential for the debt settlement to be re-opened, a debt cap over which the HRA will not be allowed to borrow and the implications of managing the cashflow for the HRA in light of the need to service the debt.

Right to Buy Sales

The number of sales remained low in 2010/11. Early indications in 2011/12 suggest that sales are likely to occur at a similar, or possibly slightly lower, level this year. The implications of this for revenue are now significant, as there is no longer the ability to capitalise all of the costs associated with the right to buy service.

Future uncertainty surrounds the right to buy process, with government proposals to re-invigorate the scheme by relaxing the qualifying criteria, increasing the discount limit and the value of discount available to tenants. This is of particular concern if the outcome is a significant increase in right to buy sales, with the authority having debt associated with the dwellings for 30 years.

Independent Living Service – Ditchburn Place Extra Care

Although provided as an agency activity outside of the HRA, the provision of care and support services in the Extra Care housing at Ditchburn Place are inextricably linked with the provision of landlord services. The current contract with the County Council expires in January 2014, but due to the significant financial risks associated with the delivery of this contract, particularly in light of the County Council's budgetary pressures in this and other areas, our ability to commit to the continued provision of this service is unclear.

Independent Living Service – Sheltered and Supported Housing

Funding for the Independent Living Service is at risk in a number of areas. The level of voids, as a result of the sheltered housing investment strategy, still remains high, producing shortfalls in rent, service charge and support income. This is compounded by reductions in funding from Supporting People, where unit rates are to be reduced to £9.00 per week from April 2012 as part of a proposed year's extension to the contract. It is anticipated that the County Council will re-tender support services in these areas from April 2013. Emergency alarm services provided to owner occupiers are also reducing over time

Service Restructures and Departmental Support Service Review

Housing Revenue Account – Revenue Uncertainties

There are a number of service restructures and a review of the provision of support services across the organisation, many of which have financial implications for the HRA. Although some broad assumptions of the financial impact for the Housing Revenue Account have been made at early stages, the real impact will not be clear until the reviews are complete.

HRA New Build

Following successful completion of 7 units of new build HRA dwellings with the support of HCA grant, a subsequent bid for funding in principal was successful. The opportunity to work with a selected developer partner to redevelop the Seymour Court site is now being actively progressed, with the scheme being one of those successful in securing grant funding. A considerable sum of prudential borrowing will also be required to deliver the anticipated affordable housing. If this, or any development scheme does not proceed, any initial outlay is required to be treated as revenue expenditure, but without the anticipated payback that the capital investment would have resulted in.

HRA Commercial Property

Review of the ownership of some commercial property in the Council's portfolio is required to ensure that both rental income and maintenance liabilities are being correctly provided and accounted for.

HRA Review of Area Offices

The review of the future use of housing area offices will be deferred until after the implementation of self-financing, when both the financial position for the HRA and the implications for local authorities of the introduction of universal credit will be clearer. The revenue implications of this review, when undertaken, will be quantified and incorporated as part of a report that will be presented to HMB for decision.

Housing Revenue Account - Capital Uncertainties

Sheltered Housing

The existing Sheltered Housing Modernisation Programme is progressing well, with Brandon Court due for completion early in 2012. There is a need to review the decisions made in respect of the latter stages of the programme, to determine the best use of limited resources in the current financial climate, with options currently being considered for Ditchburn Place and revisited for Roman Court.

Maintenance of Decent Homes

100% of the stock was considered decent at 1st April 2011, however additional properties become non-decent during the year.

Our target is to maintain the Decent Homes standard in our stock on an ongoing basis in line with current Government expectations, and to respond quickly to any changes in the standard.

Expansion of Decent Homes to include Communal Areas

There is an expectation that communal area will be incorporated into the Decent Homes criteria, to include lifts and common parts in flatted accommodation. This change requires both up front investment to survey and ongoing investment to meet and maintain any standards set. The Asset Management Plan includes an uplift of £75 per property per year, to meet the investment needs in un-surveyed communal areas, in line with external expert advice received.

Sulphate Attack

Sulphate attack was identified a number of years ago in a number of council dwellings, resulting in the need to invest £1.87m to eradicate the problem. Following a risk assessment, the approach taken to date has been to address the defect when the property becomes vacant. Currently 12 of the 110 properties affected have been rectified when they became void. Funding of approximately £1.6m is included in the Housing Capital Programme over the next 15 years to continue to fund this risk-based approach. There is the potential for similar sulphate attacks in the structures of a number of other council dwellings, which could result in the need for significant additional investment to undertake these works.

Disabled Facilities Grants and Private Sector Housing Grants and Loans

Council investment in both DFG's and Private Sector Housing Grants and Loans is dependent upon existing capital balances or capital receipts in year. Historic capital balances will to be fully utilised within 10 years (or earlier if the HRA has any need to utilise existing balances to fund in year expenditure), and the availability of receipts on an ongoing basis is currently unclear, putting at risk the desired level of investment.

Right to Buy Sales

The number of sales remained low in 2010/11, with only 17 sales completed. Early indications in 2011/12 suggest that the number of completions will remain at this level or possibly reduce further. The negative impact of this fall in available capital resources has been built into the Housing Capital Investment Programme.

Proposed changes to the right to buy rules, may result in an impact both in terms of the number of future sales, and whether the Council continues to directly receive any of the financial benefit from the associated capital receipt.

Housing Revenue Account - Capital Uncertainties

Decent Homes – PVCU Windows

Need to consider resources required to replace PVCU windows in HRA stock, where failures in existing installations are emerging, resulting in replacement far sooner than would be anticipated by the Decent Homes Standard.

Asbestos Removal

Potential to change strategy for asbestos removal, to ensure that blocks / streets are tackled as projects as opposed to in isolation while dwellings are void. This approach may bring forward the need for resources previously anticipated to be spent much later in the programme and also incur the additional costs of decant, but would accelerate the programme and reduce the additional revenue costs of repairs in properties with asbestos. This has begun, with flats in Edgecombe being tackled in this way, over a 3-year programme.

Energy Efficiency – Boiler Replacement

Legislative requirements / local desire to increase the energy efficiency of boilers, results in a replacement programme with condensing boilers requiring replacement every 8 years as opposed to every 20.

Eastfield Site

The potential future income stream for the Eastfield site is subject to advancement in discussions with Hundred Houses.

Version 4
Final

Housing Revenue Account 30-Year Asset Management Plan

February
2012

2012/13 to 2041/42

Cambridge City Council



Version Control

Version	for :	Anticipated Content	
1	Draft	Draft content for consultation	
2	Executive Councillor Review January 2012	Draft CLG Debt Settlement	
3	Housing Management Board and Council Meeting February 2012	Draft CLG Debt Settlement	
Current	4	Final	Final CLG Settlement Version for publication following HMB and Council approval

Cambridge City Council

Housing Revenue Account

Asset Management Plan

2012/13 to 2041/42

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Section 1

Background

Housing Revenue Account Self-Financing

From April 2012, the funding regime for local authority social housing will change radically. The abolition of the national housing revenue account subsidy system, a national formulaic based system for redistributing housing resource at a national level will instead be replaced with a locally managed 'self-financing' system. Local authorities will retain the rental streams from their housing assets, alongside the responsibility for managing, maintaining and improving the housing stock and supporting an opening level of debt that will be allocated to each authority.

Under the new funding regime, strong, decisive, pro-active management of our housing assets will be key to ensuring that the Council can continue to deliver a sustainable social housing business into the future.

Understanding our housing stock, its condition and the associated investment needs in it are key components of managing the housing business into the future. Our ability to make strategic investment, re-development and disposal decisions in a timely manner will be crucial if we are to manage a successful, expanding housing business to meet both current and future housing needs in the city and surrounding area.

Definition

Asset management is the activity that ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned. It seeks to align the asset base with the organisation's corporate goals and objectives.

An **asset management plan** is a plan covering the organisation's asset strategy together with other related matters, for example, the organisational structure and governance, roles and responsibilities, data and performance management arrangements and performance measurement information.

An **asset strategy** is the organisation's strategy for its asset base.

(Definitions from "RICS Public Sector Asset Management Guidelines –a guide to best practice" January 2008)

Background

This asset management plan covers the 30-year period 2012/13 to 2041/42 and will support the Council's Corporate Asset Management Strategy. The plan concentrates largely on those activities relevant to the management of the Council's housing related assets but also touches on the wider housing context within the City and forms a component of the overall HRA business plan.

The plan follows on from the Asset Management Strategy approved in 2007 that covered the period 2007 to 2010.

A stock condition survey, commissioned during the summer of 2003, was undertaken by Savills as a precursor to a Stock Option Appraisal. This resulted in sign off for the Housing Business Plan, recognising the Council's ability to meet decent homes and therefore viably retain the housing stock in house.

The Stock Condition Survey provides short, medium and long term estimates of the maintenance and repairs costs for the entire stock over a thirty year period and gives an indication of the level of investment specifically required to meet the Government's Decent Homes Standard. The original survey was based on a ten percent sample and since then significant work has been undertaken, 'in house', to survey the remaining 90%, where access has been granted. Approximately 98% of the stock has now been internally surveyed.

In preparation for self-financing for the Housing Revenue Account from April 2012, the Council re-commissioned Savills to return and give an independent opinion on the quality and accuracy of the stock condition data gathered in-house since 2003.

Their response included the following comments:

"We have undertaken a detailed review of the data and have chosen 50 properties at random to check the data on site. Our focus has been to check the principal components against each property and to establish whether or not data is accurate. We have avoided assessing minor components or those items that will not have a material impact on any investment planning or business planning.

The overall findings from our exercise show that the data is generally robust and represents a sound basis upon which to plan future works. Inevitably with a database of this size there are some anomalies but these were generally of a minor nature and not significant in overall terms.

Notwithstanding our comments about the data generally being robust we would make the following observations:

- The life cycles adopted generally reflect the maximum life cycles set out in the Decent Homes Standard. This includes a 30-year life for kitchens and a 40-year life for bathrooms. Most organisations have accepted that these life cycles are unrealistic in most cases and need to be reduced. We recommend a general review of these life cycles contained within the system.
- There are a number of components within external areas that have not been assessed as part of the survey. Whilst these are not Decent Homes issues or indeed required to meet your strict statutory obligations, there will nevertheless be a repair and maintenance liability in respect of some of these items. We recommend the survey is enhanced to include all external areas, e.g., paths, fencing etc."

As a result of the advice provided by Savills, the asset lives of kitchens, bathrooms and PVCU windows have been reduced, with kitchens included at 20 years, bathrooms at 30 years and PVCU windows at 25 years, compared with 30,40 and 40 respectively.

In response to the concerns raised regarding a lack of data and therefore financial provision for communal areas, an uplift of £75 per property per annum has been included in the self-financing financial models as recommended by Savills.

This plan uses the stock condition information to inform the strategic framework within which decisions on investment, or disinvestment can be made. It also sets out the council's priorities and the pressures that will shape the pattern of future investment. Finally it identifies some of the decisions that will need to be made during the coming years in order to ensure that investment is prioritised in the most cost effective manner and that the organisation makes the best use of its assets. The plan recognises that there is a natural tension between competing investment needs, for example investment in the existing housing stock, investment in new affordable housing and investment in housing management service provision.

The asset management plan will need to be reviewed in detail every 3 years, in conjunction with the Housing Revenue Account Business Plan to ensure that the Council responds appropriately to the changing environment, where financial and social factors may affect decisions made.

Since 2004 efforts have been concentrated in achieving the government's Decent Homes standard by 2010. By April 2011, all stock, where access has been granted, has achieved the Decent Homes standard.

The current Housing Revenue Account business plan allows for future maintenance and repair costs, and the meeting and maintaining of the Decent Homes standard and provides for currently known elements of replacement, or refurbishment identified in the stock condition survey.

Self-Financing for the Housing Revenue Account, the ability to retain rental streams locally and determine the pace at which housing debt is paid off, provides the framework for local decision making in the approach to investment in the housing stock. Historically the financial constraints inherent in the national subsidy system have meant that a reactive approach to meeting the basic decent homes standard has been unavoidable. The changes in financing regime mean that for the first time, a proactive approach in moving towards a full investment standard for our properties can be considered, although this must be balanced with the need for other investment in housing services.

Cambridge is an area of high property values and intense demand for social housing. This means that the Council has not experienced significant difficulty when letting vacant property. It is however aware of the need to anticipate and where possible to forestall obsolescence in the housing stock and maintain housing to a standard which is attractive to potential tenants, meets the changing nature of household formation and responds to other demographic or cultural issues. An element of re-development is also a key part of the Asset Management Plan.

Section 2

Aims and Objectives

The Purpose of the Asset Management Plan

This asset management plan has been prepared to complement and inform the HRA Business Plan, setting out priorities for the physical care and improvement of the housing stock and related housing assets.

In a self-financing environment, the Council will have limited resource that can be invested in the housing business and, as such, must direct them to derive maximum benefit for existing and future residents.

This plan is intended to assist in meeting the Council's vision statements, with particular reference to:

- A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities.

The plan balances the competing needs for investment in order to:

- Keep dwellings in decent, lettable condition
- Respond to residents' priorities
- Bring obsolete properties up to date, or re-develop to comply with current regulations
- Care for the external environment as well as for individual homes
- Balance expenditure on response, cyclical and planned works
- Respond to and pre-empt changing demand patterns
- Anticipate decline in desirability and value in the stock, taking positive action to avoid this decline

- Increase the desirability and sustainability of the council's housing stock
- Deliver the investment programme in a cost effective manner in accordance with sound procurement principles.
- Maintain the value of housing assets, including maximisation of the utilisation of housing land

Guiding Principles

The guiding principles of previous asset management strategies remain, and revised include:

- Maintaining the stock to a standard which compares favourably with that of other housing providers
- Ensuring the stock complies with relevant regulatory requirements such as the Decent Home Standard and the Housing Health and Safety Rating System.
- Accepting responsibility as the majority landlord on principal estates, for their reputation as places where people will choose to live
- Maintaining a balanced portfolio of affordable housing, recognising a wide range of specialist housing need
- Developing partnering arrangements within the supply chain wherever possible
- Seeking ways to continually reduce annual expenditure on responsive maintenance

Asset Management Components and Tools

The council has at its disposal a range of tools to assist in the process of delivering its plan.

These include:

- Stock condition data, which is updated regularly and collected using statistically reliable and verifiable stock survey techniques
- A comprehensive and dynamic stock condition database maintained and interpreted by the council's own staff, incorporating both Decent Homes data and the Housing Health and Safety Rating System.

- Tools to assess the viability of re-development
- An informed experienced workforce to deliver quality projects within time and cost working with partners, including a framework agreement to deliver new build housing.
- An HRA Business Plan to support this plan and the intended programmes of work

These tools are the basic equipment required to enable the council to take informed decisions. Once the strategic decisions have been taken the council is able to use the various components of its plan to deliver results.

These components include:

- Regeneration of dwellings and estates including refurbishment and remodelling of accommodation to ensure that it remains attractive and meets modern requirements and resident's expectations
- A planned maintenance programme, achieving economies by replacing components just before they would otherwise require response repairs, anticipating changes in minimum acceptable standards, and reducing future requirements for cyclical maintenance
- Planned cyclical maintenance to prevent deterioration in the physical condition of the stock
- A responsive maintenance service, to ensure that residents remain satisfied with their accommodation and to prevent unplanned deterioration in stock condition.
- An efficient and effective voids repair service, helping to protect the council's revenue and minimise the number of rejected offers
- Demolition or disposal of selected property, to remove obsolete provision or to permit replacement with dwellings that respond more effectively to changing requirements and represent a sounder economic and social investment

Links with Corporate Asset Management

This Asset Management Plan will reflect the key principles in any existing or future corporate asset management strategy, whilst also recognising the specific nature of the housing and the ring-fenced nature of the Housing Revenue Account.

The Council has a wide-ranging asset portfolio including housing estates, common land, community centres, car parks, swimming pools, commercial property, vehicles and equipment.

Each asset needs to make an appropriate return on the investment made by the Council and also be fit for the purpose for which it is used.

The Council has an Asset Management Group (AMG) which has a key role in the Council's capital strategy including:

- Monitoring the use of assets
- Identifying the need for new assets
- Maintaining an overview of capital funding
- Reviewing the asset disposal programme

AMG membership is drawn from all departments within the Council and its peer review approach has proved to be valuable when considering the Council's various asset plans, strategies and activities.

Section 3

Asset Profile

Housing Stock

The Council's housing stock consists of a mix of dwelling types, used to meet a variety of specific housing needs. The stock can be categorised in a number of ways, depending upon the purpose for which the classification is required.

The table below identifies the number of dwellings that the Housing Revenue Account owns and manages summarised by the type of housing need that the property meets. This categorisation is useful in determining the level of services that are required to be provided across the stock.

Housing Category	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
General Housing	6,653	6,644
Sheltered Housing	528	519
Supported Housing	28	28
Temporary Housing (Individual Units)	41	41
Temporary Housing (HMO's)	13	13
Miscellaneous Leased Dwellings	27	27
Shared Ownership Dwellings	89	88
Total Dwellings	7,379	7,360

The housing stock can be summarised by high-level property type and accommodation size, which is useful, when compared to the housing need in the city, in determining where the greatest need for additional affordable housing lies.

Stock Category (Property Type) Excluding Shared Ownership	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
Bedsits	112	112
1 Bed Flat / Maisonette	1,636	1,636
2 Bed Flat / Maisonette	1,271	1,268
3 Bed Flat / Maisonette	41	41
1 Bed House / Bungalow	188	188
2 Bed House / Bungalow	1,139	1,137
3 Bed House	2,272	2,267
4 Bed House	95	95
5 Bed House	6	7
6 Bed House	2	2
Sheltered Housing	528	519
Total Dwellings	7,290	7,272

Under the national Housing Revenue Account Subsidy system, the Council's housing stock has been categorised across 15 property archetypes as detailed in the table below:

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2011
Pre 1945 Small Terraced Houses	96
Pre 1945 Semi-Detached Houses	482
All other Pre 1945 Houses	571
1945 - 1964 Small Terraced Houses	78
1945 - 1964 Large Terraced / Semi-Detached / Detached Houses	941
1965 – 1974 Houses	377
Post 1974 Houses	372
Non-Traditional Houses	552
Pre 1945 Low Rise Flats (1 to 2 storeys)	137
Post 1944 Low Rise (1 to 2 storeys)	2,188
Medium Rise Flats	1,188

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2011
High Rise Flats	56
Bungalows	239
Pre 1945 Multi-Occupied Dwellings	0
Post 1944 Multi-Occupied Dwellings	13
Total Dwellings	7,290

In preparing for the implementation of self-financing, a different approach has been taken to categorising our housing asset base, to allow financial modelling to be undertaken in respect of specific assets or groups of assets. The table below summarises the categories considered. Many properties could be included across a number of categories, but each one has been assigned to the first category it fits into progressing through the list, ensuring that the investment requirement in each property is considered only once.

Stock Modelling Archetype (Including Shared Ownership)	Actual Stock Numbers as at 1/4/2011
Affordable Housing Re-Development (Decision Made)	17
3 Year Affordable Housing Programme	150
Lichfield / Neville Road	195
Shared Ownership	89
Miscellaneous Leases	27
Easiform	539
BISF	33
Unity	94
Caldor	23
Timber-Framed	9
Listed / Special interest Buildings	134
Temporary Housing Hostels / HMO's	29
Temporary Housing Dispersed	21
Sheltered Housing – Category I	72
Sheltered Housing – Category II	231
Sheltered Housing – Extra Care	36

Stock Modelling Archetype (Including Shared Ownership)	Actual Stock Numbers as at 1/4/2011
New Build (Post 2000)	6
Flats above Shops	54
Flats Low Rise (1 to 2 storeys)	1,818
Flats Medium Rise (3 to 5 storeys)	766
Flats High Rise (6 storeys and over)	56
Bungalows	200
Houses – Detached Pre 1945	1
Houses – Semi-Detached Pre 1945	470
Houses – Terraced Pre 1945	589
Houses – Detached (1945 to 2000)	5
Houses – Semi-Detached (1945 to 2000)	437
Houses – Terraced (1945 to 2000)	1,278
Total Dwellings	7,379

Shared Ownership Housing

The Council currently owns the freehold and a proportional share of 88 shared ownership properties. The shared ownership stock, which is also included in some of the tables above consists of:

Stock Category (Property Type) Shared Ownership	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
1 Bed Flat	10	10
1 Bed House	37	37
2 Bed House	30	29
3 Bed House	6	6
1 Bed Bungalow	4	4
2 Bed Bungalow	1	1
3 Bed Bungalow	1	1
Total Dwellings	89	88

Of the 88 properties, the Council currently owns the equivalent of 40.02 properties, based upon the interest that is held in each of the properties.

Shared Ownership dwellings are leased to shared ownership tenants, with the tenant purchasing a share of the property, usually an initial share of 50%, with a requirement to pay the Council rent for the remaining share of the dwelling. The rent due on the share retained by the Council is discounted to take into consideration that the Council no longer has a repairing liability for the dwelling itself.

If the shared ownership property is a flat, as landlord, the Council retains the responsibility to repair any communal areas and the building's external structure.

Sheltered Housing

Over the past 10 years, the Council has systematically undertaken a programme of refurbishment of the council's sheltered housing stock. Many of the sheltered schemes were originally built in the 1960's and 1970's and by the millennium no longer met the standards for sheltered housing or the expectations of prospective residents.

The condition of the sheltered housing stock, coupled with a requirement to reduce the supply of sheltered housing in the city, resulted in a programme of investment, which combined disposal of some schemes, to finance the refurbishment of others. The requirement to reduce supply in the city resulted from a best value review of sheltered housing need across the county by Supporting People.

There are a number of categories of sheltered housing that the Council provides. Category I sheltered housing is independent accommodation for older people, where direct access to the dwelling is straight off the street. Category II sheltered housing is also independent accommodation for older people, but access to the dwelling will be from a communal corridor with a designated scheme, with communal facilities, such as communal lounge and kitchen provided to supplement the living accommodation. In addition to this, the Council owns 36 units of extra care accommodation, where personalised care, catering and laundry services are provided in addition to support services.

The investment need in each category of sheltered housing is very different. The investment requirement to maintain decency in category I housing is not dissimilar to that of general

needs properties, whereas the investment requirement in category II and extra care housing is considerably higher, with the need to not only maintain decency in the dwelling, but also to invest heavily in ensuring that all communal facilities meet both health and safety and sheltered housing standards.

A full review of all of the communal facilities in the Council's sheltered housing stock will identify the longer-term investment need and allow detailed timetabling of this activity. In the interim, a provisional sum has been included in the financial modelling presented as part of the business plan, to allow for the anticipated replacement of communal kitchens, bathrooms, boilers, lifts, door entry systems, etc.

The table below summarises the sheltered housing stock that the Housing Revenue Account will manage from April 2012.

Sheltered Housing Schemes	Scheme Status	Estimated Stock Numbers as at 1/4/2012
Category II and Extra Care		
Brandon Court	Under Refurbishment	30
Ditchburn Place (Sheltered)	Partial Refurbishment Planned	15
Ditchburn Place (Extra Care)	Awaiting Refurbishment	36
Ditton Court	No Refurbishment Planned	26
Mansel Court	Fully Refurbished	25
Rawlyn Court	Fully Refurbished	26
School Court	Communal Area Refurbishment	29
Stanton House	Modernised	33
Talbot House	Fully Refurbished	21
Whitefriars	Fully Refurbished	20
Category I		
Greystoke Court	Maintain Decency	24
Lichfield / Neville Road	Maintain Decency	172
Walpole Road	Maintain Decency	48
Total Sheltered Housing Units		505

To provide an indication of progress to date in respect of the sheltered housing modernisation programme, the table below details the current position of unit types in the programme.

Stock Category Sheltered Housing	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
Modern or Refurbished Schemes		
1 Bed Flat	370	398
2 Bed Flat	49	51
1 Bed Bungalow	3	3
2 Bed Bungalow	2	2
Schemes Awaiting Modernisation		
Bedsit	36	2
1 Bed Flat	51	49
Schemes Awaiting De-Classification as Sheltered		
Bedsit	14	12
1 Bed Flat	2	2
1 Bed Bungalow	1	0
Total Dwellings	528	519

Temporary Housing

The Council utilises Housing Revenue Account stock to provide Temporary Housing, as one means of meeting the organisation's statutory homeless responsibility. The Temporary Housing stock comprises two homeless hostels and a number of dispersed units across the city.

The investment need in these properties is significant, with a very high level of turnover in the stock due to the nature of the housing need. The properties are on occasions subject to excessive wear and tear, increasing the responsive repair and void costs associated with this particular category of stock.

One of the hostels, at Chesterton Road, provides units which are classified as houses in multiple occupation, with residents having shared bathing and catering facilities. The hostel at New Street is predominantly self-contained accommodation within a hostel environment, but recent changes have resulted in the use of two flats for the provision of 4 bed and breakfast units of accommodation. Although this change is anticipated to further increase the maintenance cost of these dwellings, the General Fund is meeting this cost of emergency bed spaces at a far cheaper overall costs than bed and breakfast in the private sector.

Miscellaneous Leases

A small number of the Housing Revenue Account's housing stock is leased to organisations as opposed to being let to individuals. This is an historic practice that has assisted the Council in meeting wider strategic housing objectives to provide a range of different types of housing across the city, meeting a variety of specialist housing need.

A number of the leases have been in place for many years and are subject to continual review from an investment perspective. The investment need for each property needs to be considered alongside any potential alternative use in the longer term.

A number of the properties leased in this way are located in areas of the city where little other council housing exists, and may therefore be candidates for consideration for strategic disposal when the existing leases terminate.

The current miscellaneous lease portfolio is included as [appendix A](#) to this plan.

Leasehold Properties

As at the 1st April 2011, the Council held an interest in 1,072 leasehold properties with the responsibility to carry out any major repairs to the block structures, as the Council owns the freehold. Major repairs include elements such as replacement of the roof, where all properties benefit but no one property is responsible. Although the Council funds the initial investment, leaseholders are subsequently invoiced for these works under a section 20 notification. Internal repairs and maintenance (excluding communal areas) remain the responsibility of the individual leaseholder.

Garages

The Housing Service manages and maintains 1,865 garages and parking spaces across the city, mostly in blocks on housing estates. The majority of the garages are Housing Revenue Account owned, with the exception of 17 garages and 6 parking spaces in Bermuda Road and Hooper Street, which are owned by, and managed and maintained on behalf of, the General Fund.

The garage stock in many areas of the city is in poor condition, and requires significant investment if it is to be retained as a lettable asset into the future. Void levels in Council garages remain high, with a 19% void loss for 2010/11.

A survey of garage blocks was last undertaken in 2006, identifying an investment need of £955,000 at the price base at the time.

In recognition of the difficulties experienced in letting garages in some areas of the city, work has been undertaken to investigate the development potential of particular sites, with a number of sites now featuring on the 3-year affordable housing investment programme.

It is also proposed, as part of a review, to map the garage provision across the city with the demand for garages from the waiting list, allowing targeted investment in the most appropriate areas.

Garage Investment Component	2006 Estimated Investment Cost
Roofing	313,050
Walls	286,075
Doors	70,150
Floors	134,000
Lighting	89,000
Security Measures	42,600
Health and Safety Investment	20,600
Total Investment Requirement	955,475

Between 2007/08 and 2010/11, capital investment of £211,000 was made in respect of HRA garages, but it is clearly recognised that ongoing deterioration in the condition of the garage stock means that the investment need identified in 2006 is not expected to have been reduced in real terms.

Based upon activity in 2011/12 to date, the occupation of housing revenue account garages is reducing, with void levels increasing from an average of 19% in 2010/11 to an estimated 21% in 2011/12.

Garage Status (Average for 2011/12 to date)	Number of Garages	Percentage of Garages
Let	1,471	79%
Void	394	21%
Total	1,865	

The anticipated income from garages in 2012/13 is £625,380.

Commercial and Other Property

In addition to responsibility for the dwelling stock, the Housing Revenue Account also owns a small commercial property portfolio, consisting of shops and land utilised for non-housing purposes.

The majority of shops in the Housing Revenue Account are situated on housing estates, were built as part of creating the affordable housing and associated infrastructure and have tenanted social housing built above them.

The portfolio currently includes 24 shops (and a medical clinic) located in Akeman Street, Anstey Way, Barnwell Road, Campkin Road, Carlton Way, Hazelwood Close and Wulfstan Way. The shops are let on commercial leases, generating commercial market rental streams of approximately £233,000 per annum.

Commercial Property Location	No of Units	Annual income
Akeman Street Shops	4	38,200
Anstey Way Shops	6	37,100
Barnwell Road Shops	6	71,690
Campkin Road Shops	4	37,550

Commercial Property Location	No of Units	Annual income
Hazelwood Road Shops	1	11,100
Walpole Road Shops	1	7,250
Wulfstan Way Shops	2	29,750
Other Buildings	2	21,700
Car Parks (One let internally)	2	37,100
Land / Ground Rents / Allotments		95,990
Access Rights		1,160
Total Commercial Property Portfolio		388,590

The commercial property portfolio is managed on behalf of the Housing Revenue Account by Property Services under a service level agreement. The service level agreement includes meeting the costs of any responsive and end of lease repairs that remain the Council's liability under the terms of each lease. An allocation is earmarked in the housing capital programme to meet the costs of any structural works or major improvements that are required to these properties.

The shops are let on terms whereby the tenant is responsible for internal repairs and re-decoration and the shop front and doors. The Council is responsible for other external repairs and the main structure and roof. The clinic is let on similar terms. The only exception is the shop at Hazelwood Close where the tenant is fully responsible for repairs and decoration.

A review of the required sum for major repairs and improvements across the commercial property portfolio is required during the first years of this plan to ensure that an appropriate provision is included in future financial estimates.

In addition to the commercial property managed by Property Services, the Housing Revenue Account owns a number of non-income generating neighbourhood assets, such as the area housing office at 171 Arbury Road, Lichfield Hall and offices and ECCHO House, in addition to a number of laundry sites incorporated as part of flat blocks.

Land Assets

The Housing Revenue Account has multiple land assets across the city, with an audit of these sites having been carried out in 2005, both documenting the sites and identifying those which might have potential development opportunities.

These sites are actively investigated, with appropriate sites being brought forward for development decisions where appropriate as part of a rolling 3-year affordable housing programme.

Section 4

Asset Acquisitions and Disposals

Right to Buy

The majority of the Council's housing stock is subject to right to buy legislation, meaning that a secure tenant of the Council is able to purchase their home from the council at a discounted rate. When the scheme was first introduced in the early 1980's, the level of discount available was based upon a percentage of the market value of the property, up to 60% for houses and 70% for flats, depending upon the length of time the purchaser had been a tenant of the Council. In 1999 there was a limit on the value of discount available, £34,000, for a purchaser in this area. In 2005 the rules were changed again, with a tenant needing to be a council tenant for a minimum of 5 years to qualify for the right to buy.

The changes in the qualifying criteria and the level of discounts available, coupled with a steep rise in house prices in Cambridge over the last decade, have seen the number of properties sold each year under the right to buy reduce from in excess of 100 per year, to sales of less than 20 per annum for the last 3 years.

When properties are sold under the current legislation, approximately 75% of the capital receipt has to be paid to central government in the form of a capital receipts pooling payment.

A recent Government consultation proposes changes to the right to buy legislation, with an indication that the level of discount available will be increased to £50,000 to re-invigorate the scheme. The consultation also provides a range of options for how the capital receipt might be re-distributed, but indicates that the first call upon the receipt would be to compensate local authorities for the debt that they will hold in respect of the disposed dwelling.

From a local perspective, and dependent upon the outcome of the consultation, the authority will face challenges, with the potential to be managing a diminishing housing business, without sufficient resource to replace the dwellings lost under Right to Buy.

Right of First Refusal

From October 2004, all properties sold under the right to buy legislation include a clause that requires the purchaser to offer the property back to the Council prior to re-selling it on the open market. This legislation is known as the 'right of first refusal'.

There are strict timescales under which the Council must enact it's right should it so choose, currently requiring an urgent decision as part of our decision making processes. The legislation does however provide the opportunity to make strategic acquisitions if a property is offered back to the Council in an area where re-development or wider strategic disposal might be a viable asset management option.

To facilitate the process of buying back stock if the opportunity presents itself in an appropriate area, a sum has been earmarked in the Housing Capital Investment Programme to allow strategic re-purchases within a delegated authority framework if the agreed criteria are met.

Shared Ownership Acquisitions / Disposals

The Council has a shared ownership property portfolio that currently consists of 88 dwellings. The properties are used to meet an intermediate housing need, with shared ownership tenants buying and renting complimentary proportions of the dwelling.

While tenanted, the Council does not have a repairing liability for the property, but when a tenant wants to move on, the Council's current policy is to buy back the sold share, thus allowing the property to be released to another recipient on the shared ownership register. Whilst the property is void, the Council is required to meet any costs associated with returning the property to a lettable standard, although the expectation is that some of the costs may be recovered in the re-sale value of the share sold to a new tenant.

The current capital receipts pooling regime includes a financial deterrent to the successful operation of a shared ownership scheme, with the requirement on occasions to pool a proportion of the receipt received. There is suggestion that the application of the pooling legislation may change from April 2012, removing this requirement and making it financially viable from an asset management, and therefore business, perspective to continue to operate a shared ownership scheme.

Strategic Acquisitions / Disposals

To enable the re-development of an area for new build council houses it is likely that some sites will require the acquisition of properties outside of Council ownership, in order to progress the development. These properties are most likely to be ex council houses, where tenants have performed their Right to Buy, but could also include other miscellaneous buildings that will facilitate comprehensive site redevelopment.

Historically, it has been the policy of Cambridge City Council to consider the disposal of single void dwellings in non-estate locations, which require significant investment to meet or maintain the decent homes standard. The Housing Revenue Account has historically leased a small number of properties to organisations, as opposed to individuals, where the organisations meet our wider strategic housing objectives. These properties tend to be individual units in non-estate locations, and a current rolling review of the leases needs to ensure that the most appropriate asset management decision is made in each case, in the best interest of the Housing Revenue Account social housing business.

The Council will maintain this position, and in addition, the Housing Revenue Account will need to consider the business case for the strategic disposal of other individual properties, groups of properties or areas of land in the city, where the opportunity for re-development is clear or the potential receipt allows the delivery of a greater number of affordable housing units elsewhere.

Section 5

Stock Condition

Stock Condition - Current Decency Levels

As at 1st April 2011, there were 37 properties that were considered to be non-decent (in addition to the 613 refusals), with another 305 anticipated to become non-decent during 2011/12. It is anticipated that the properties that are either non-decent at 1st April each year, or become non-decent during the year are included in the decent homes programme, to be addressed in year.

Maintaining decency in the housing stock is an ongoing commitment, with properties moving from decent to non-decent on a daily basis, as a component ages, it's condition worsens or it fails completely.

Historic Stock Investment

In the 6 years between April 2005 and March 2011, £49.2 million has been invested in the housing stock to enable the authority to meet the decent homes standard.

In addition to the investment requirement to meet the decency standard, £19.5 million has been invested in areas outside of the decent homes criteria, such as refurbishment of sheltered schemes, investment to meet tenant priorities, garages improvements, asbestos removal, disabled adaptations, fire safety measures, communal lighting and floor coverings, health and safety works, recycling areas, fencing, paving and hard standings, lifts, laundries and television aerial installation.

In the last 3 years, the Housing Revenue has also begun to re-invest resource in new build affordable housing, starting with the development of 7 additional homes for rent during 2010/11 and 2011/12.

Specific Stock Issues

Non-Traditional Construction Types

The Council has a number of properties built using non-traditional building methods. These include:

Construction Type	No. of Dwellings	Status of Dwellings
Easiform	539	Flats refurbished (134), houses and bungalows not required refurbishment to date (405)
BISF	33	External thermal insulation currently being applied
Unity	94	Upgrading complete, including external thermal cladding and new kitchens and bathrooms
Caldor	23	Upgrading complete, including roofs, external thermal insulation and new kitchen and bathrooms
Timber-Framed	9	Properties have been re-clad with brick
Total Non-Traditional Dwellings	698	

Easiform

The Council has 539 Easiform properties, constructed in the decade between 1945 and 1955, making them a type 2 Easiform construction. Most often, these properties are constructed from cast concrete or concrete panels and the construction method, and often poor materials used, mean that this type of dwelling is often not mortgageable.

The construction is not particularly thermally efficient. The flats have been refurbished, but the houses have not been identified as requiring any additional works to date.

BISF

The housing stock includes 33 properties built using a British Iron and Steel Federation construction method, producing pre-fabricated houses, which utilise a simple steel frame construction process. The properties in Foster Road, Paget Road and Byron Square were built post war, in 1947, to deliver housing quickly, meeting the national need to re-supply where housing stock was lost during the war.

The thermal properties of this type of dwelling are poor and they are expensive to heat. In addition extensive redecoration is required to the sheet cladding originally provided to first floor level at each redecoration cycle. In order to address the issues inherent in this type of build, the authority is investing in the application of externally applied thermal insulation with self coloured render systems significantly improving the thermal properties of the dwelling and reducing running costs for tenants.

Unity

The 94 Unity houses included in the housing portfolio are all in the south of the city, in Bridewell Road, Colville Road, Godwin Way, Leete Road, Malletts Road, Walpole Road and Wulfstan Way. The properties were built in the early 1950's of a pre-cast reinforced concrete (prc) construction with a steel sub frame.

To address the issues inherent in this construction type, the properties were upgraded thermally by the installation of an external insulation system, the roof structure was reinforced and the roof covering replaced by a lightweight profiled metal sheet roof covering. Kitchen & Bathroom upgrades were also carried out whilst the external programme was being completed.

Caldor

The 23 Caldor homes owned and managed within the housing stock were built in the mid 1960's in Cameron Road and Nuns Way. Each house consists of factory assembled prefabricated accommodation units with asbestos-based cladding and flat roofs.

To address the issues inherent in this type of build, the authority carried out major refurbishment works in 2002. The refurbishment included kitchens, bathrooms, new flat roof system, external wall insulation and cladding. The external wall insulation system has a design life of 30+ years

provided any damage to the surface finish is repaired immediately, and regular maintenance is undertaken. The flat roofing system has a design life of 30+ years.

Timber-Framed

There are 9 remaining timber-framed properties, built in the mid 1920's in Kings Hedges Road. The properties are all 3 bedroom semi-detached houses. The properties were re-clad with brick in the late 1980s. There are no other specific maintenance issues.

Buildings of Historic / Special Interest

There are a number of properties that the housing service has categorised as being buildings of historic or special interest. This may be due to the nature of the construction or style of the property, the age of the property (pre 1900), the unusual location of the dwelling or it's lack of proximity to other council accommodation.

Investment analysis has been carried out by Savills, on behalf of the Council, to determine whether these properties, as a group, make a positive or negative contribution to the business model. Although en-mass the properties make a positive contribution, individually they may not. There is merit in considering the options for each of these dwellings separately, with the potential for re-development, conversion for alternative use or disposal on the open market being financially viable options, which may make a positive contribution on an individual basis to the business plan, facilitating additional investment in new affordable housing.

Section 6

Basic Standards

Decent Homes Criteria

Delivering and maintaining decent homes for social housing tenants has been both a national requirement and a local commitment since the inception of the decency standard in 2004.

The original definition of a decent home was amended in 2006 to reflect the introduction of the Housing Health and Safety Rating System (HHSRS). This replaced the Housing Fitness Standard, which was the previous methodology included in the decent homes criteria.

To be decent, a home must meet the following criteria:

- It must meet the current statutory minimum standard for housing – a dwelling which fails to meet this criterion would contain one or more hazards assessed as serious (category 1) under the HHSRS standard.
- It must be in a reasonable state of repair – a dwelling which fails to meet this criterion will either:
 1. Have one or more of the **key** building components being old and, because of their condition, need replacing or major repair, or
 2. Have two or more of the **other** building components being old and, because of their condition, need replacing or major repair.
- It must have reasonably modern facilities and services – a dwelling which fails to meet this criterion are those which do not have three or more of the following:
 1. A reasonably modern kitchen (20 years old or less)
 2. A kitchen with adequate space and layout
 3. A reasonably modern bathroom (30 years old or less)
 4. An appropriately located bathroom and w/c

5. Adequate insulation against external noise (where external noise is a problem)
6. Adequate size and layout of common areas in blocks of flats

A home lacking two or fewer of the above is still classed as decent, therefore it is not necessary to modernise kitchens and bathrooms if the home meets the remaining criteria.

- It must provide a reasonable degree of thermal comfort – a dwelling must have both effective insulation and efficient heating. Any dwelling with a SAP rating less than 37 fails this criterion

The **key** building components identified above are those, which if they fail, could have an immediate impact on the integrity of the dwelling, and include:

- External Walls
- Roof Structure and Covering
- Windows / Doors
- Chimneys
- Central Heating / Boilers
- Gas Fires
- Storage Heaters
- Plumbing
- Electrics

The **other** building components include items such as kitchens, bathrooms, radiators and lifts.

The decent homes standard is a minimum standard, which all social landlords should meet. Landlords are not expected to make a home decent if it is against the wishes of an individual tenant, and instead are expected to meet the standard at the next opportunity, ie; when the property becomes void.

Decent Homes Asset Life Table – With Local Asset Lives Assumed

Element	Option	Life Assumed
Balcony		80
Balustrade/railing	Metal, timber, concrete, glass, melamine, other	80
Bathroom		30
Boiler		8
Canopy	Timber, concrete, GRP, metal	40
Chimney	Pointing & Render	50
Communal door	GRP, timber, PVCu, composite, steel, mixed	40
Communal lift		20
Door entry system		15
Drainage		25
Electrics		30
Enclosure doors	GRP, timber, PVCu, composite, steel, mixed	40
Front/Back door	GRP, timber, PVCu, composite, steel	40
Garage		80
Garage door	Timber, composite, steel other	30
Garage rainwater goods		15
Garage roof	Metal, asbestos, concrete, felt, other	30
Glazed areas	PVCu, timber, metal, aluminium, SDG	40
Heating	Gas warm air, electric warm air, electric storage heaters	30
Heating	Other, solid fuel, electric ceiling heater	30
Heating	Gas boilers & radiators	40
Kitchen	Small, medium or large	20
Roof covering	Flat	30
Roof covering	Pitched	50
Roof structure		50
Shed door	GRP, Timber, PVCu, composite, steel, mixed, other	30
Shed roof	Metal, asbestos, corrugated sheets, felt, other	30
Shed windows	Timber, PVCu, metal, other	30
Smoke detector		15

Element	Option	Life Assumed
Wall Finish	Brick, render, cladded, tile hung, metal sheet	60
Wall insulation	Cavity-fill, dry lining	0
Wall structure	Brick, block, timber, concrete, combination, other	80
Water heating	From boiler, on/off peak immersion, gas/electric instantaneous, communal	15
Window	PVCu	25
Window	Timber, metal, aluminium, part PVCu	40

Section 7

Health and Safety / Legislative Investment Priorities

Sulphate Attack

Some properties within the Council's housing portfolio are known to be suffering from sulphate attack to concrete ground floor slabs. Whilst the approach to date has been a measured approach, with remedial works being undertaken over time when properties become void, the repairs must eventually be made.

Without remedial works, there is a danger of heave occurring, or cracking of the affected concrete slabs. The impact and rate of chemical attack on the slabs is subject to a number of variables including the presence of moisture, level of sulphates and quality of materials employed in the original construction. The cost of remedial work is substantial.

The known existence at one location begs the question as to whether other properties constructed at around the same period of time and to similar design are also subject to similar problems, and therefore pose a further potential demand for additional resources at some time in the future.

To date, a full survey of the known affected site has been undertaken and remedial works have been carried out in 12 properties, when properties have become void. There are 98 properties in this area which still require remedial works, at an estimated cost of £17,000 per unit. Consideration needs to be given to whether there would be benefit in undertaking the works in a programmed way or evaluating alternative options for the site in light of the significant investment required to undertake the necessary works.

The general approach that is being taken to address this issue in any other properties that may be similarly affected, is to adopt a risk management approach.

Legionella

Legionnaires' disease is a potentially fatal form of pneumonia which can affect anybody, but which is most likely to affect individuals who are susceptible because of their age, gender, general health or condition of their immune system, etc.

Certain conditions can increase the risk from Legionella:

- a suitable temperature for growth of 20 to 45 degrees centigrade
- a source of nutrient for the organism, ie; sludge, scale, rust, algae, other organic matter
- a way of creating and spreading breathable droplets, eg the fine spray created by a shower.

Outbreaks of the illness occur from exposure to legionella growing in systems where the water is maintained at a temperature high enough to encourage growth. The types of systems relevant in our housing stock would include hot and cold domestic water systems, used in a variety of premises.

To prevent exposure to the bacteria, the authority must comply with legislation that requires the management, maintenance and treatment of water systems in our properly. This will include, but not be limited to, appropriate water treatment and cleaning regimes.

A comprehensive programme of testing for communal appliances, and any associated maintenance, is in place. Sheltered schemes are of particular concern, and the design of modernised schemes needs to accommodate best practice in order to minimise any risks associated with Legionella. Within communal areas, the best form of control of legionella bacteria is the circulation of very hot water (in excess of 60 degrees). This leaves residual risk of scalding, which therefore has to be separately controlled.

Currently, the authority is seeking a new contractor to undertake water hygiene risk assessments and implement required control measures, for a period of 3 years (with an option to extend for a further 2 years), from April 2013.

Asbestos

Asbestos was widely used as a building material in the UK from the 1950s through to the mid-1980s. It was used for a variety of purposes and was ideal for fireproofing and insulation. Any building built before 2000 could contain asbestos. Asbestos materials in good condition are safe unless asbestos fibres become airborne, which happens when materials are damaged.

When compromised, the asbestos fibres, if inhaled, can cause serious disease, which in the case of prolonged exposure could result in death. The risks associated with developing asbestos related disease is linked to the number of fibres inhaled, with the effect of inhalation often not becoming apparent for many years.

Asbestos can be found in a variety of building components, including:

- Asbestos cement products
- Textured coatings
- Floor tiles
- Asbestos insulating board
- Loose asbestos in ceiling or floor cavity

A comprehensive review of the housing stock between 2003 and 2005, has resulted in the compilation of an asbestos survey database, which includes details of all properties that contain any form of asbestos. The survey has been undertaken to ensure that any liabilities are fully recognised and that plans are made for addressing them.

The Council is in the process of implementing an asbestos management policy, which details the responsibilities of Duty Holders to;

- Take reasonable steps to find out if there are materials containing asbestos present in any building that we occupy, own or lease and if so the amount, where it is and what condition it is in
- Presume materials contain asbestos unless there is strong evidence that they do not
- Make, and keep up-to-date, a record of the location and condition of the asbestos containing materials – or materials which are presumed to contain asbestos
- Assess the risk of anyone being exposed to fibres from the materials identified

- Prepare a plan that sets out in detail how the risks from these materials will be managed
- Ensure those appointed to undertaking surveying or sampling works hold the appropriate UKAS accreditation
- Take the necessary steps to put the plan into action
- Periodically review and monitor the plan and the arrangements to act on it so that the plan remains relevant and up-to-date
- Provide information on the location and condition of the materials to anyone who is liable to work on or disturb them.

The priorities for work on asbestos containing materials will be:

- Where material is damaged and the risk assessment score is deemed high
- To facilitate other works such as routine maintenance, Decent Homes or Cyclical Maintenance
- To remove high risk elements whilst properties are void
- To proactively reduce the risk profile of the council with an annual programme for the removal of asbestos from the housing stock

All asbestos containing materials will be re-inspected between six and thirty-six months intervals as determined by the risk assessment. Competent persons will carry out inspections. The MICAD database, the system deployed to act as an asbestos register, will be updated to record inspection findings and actions taken.

Fire Risk Assessment and Risk Management

Under the current fire safety legislation (Regulatory Reform (Fire Safety) Order 2005), the authority has a responsibility to carry out fire safety risk assessments in all communal areas of the housing stock, including flatted accommodation, sheltered schemes, hostels and offices. In respect of flats the liability extends to communal areas and the front doors to living areas. In houses in multiple occupation, the liability extends to include the living areas.

There are three key factors that the authority needs to be aware of in respect of managing fire risk:

- Fire Suppression Systems (sprinklers, fire extinguishers)
- Fire Prevention (fire alarms, smoke control arrangements, smoke detectors, fire doors)
- Fire Risk Assessments (specialist external / trained internal assessors)

Good practice suggests that once an initial risk assessment has been undertaken and any remedial works have been identified, the fire risk assessments of higher rise blocks (over 4 storeys) should be reviewed annually, with a new assessment every 2 or 3 years. Fire risk assessments of low-rise blocks should be reviewed every 2 years, with a new assessment every 4 years. Corporate policy says all fire risk assessments to be reviewed every 3 years.

This requirement has been addressed using a risk management approach, with the higher risk areas of accommodation being fire safety risk assessed as a priority. The initial assessments of the authorities larger flatted blocks (Kingsway, Hanover Court, Princess Court, Edgecombe) resulted in an investment requirement of £1.1 million to undertake remedial works to meet the current fire safety standards.

Risk assessments of all other communal areas are being carried out in a programmed way, with an identified sum of money in the Housing Capital Investment Programme to meet the cost of any remedial works identified. The contractor appointed will also carry out rolling reviews and re-assessments as required in line with the legislation.

Gas Safety and Risk Management

From a gas safety perspective, the authority is also required to meet the obligation to undertake an annual gas safety inspection, which has to be undertaken by a registered gas safe engineer. The Council currently operates a contract with Morrisons for this work across the housing stock as a whole. The obligation for gas safety inspections extends to gas appliances, fittings and flues.

Adaptations for Disabled People

Local authority social housing providers are expected to meet the cost of any adaptation works required by tenants of their social housing stock. The investment requirement ranges from the need for minor adaptations, such as grab-rails and ramps, through more major adaptations such as stairlifts, through floor lifts and assisted bathing facilities, up to the need for major structural changes and extensions to the property to allow ground floor living for a member of a household.

Once a property has been adapted, the Council processes, via the choice based lettings system for managing our housing waiting list and allocations activity, ensures that properties with specific adaptations are prioritised for the use of those with appropriate need.

Although every endeavour is made to let adapted properties to tenants who need them, this is not always possible. There is an ongoing need to relocate existing adaptations, renew existing installations and to provide additional installations to meet arising need. The Housing Capital Investment Programme currently includes an annual allocation of £878,000 to meet these costs. This budget is one that comes under continued pressure.

An additional consideration is the increased revenue cost associated with servicing and maintaining specialist equipment that is installed in the housing stock, where again the budgets allocated for this purpose come under increased pressure over time as the number of adaptations increases.

Changes in Standards / Legislation

It is important to recognise the potential for both legislation and best practice standards to change in respect of any health and safety investment criteria, often with very short timescales to ensure compliance with revised recommendations. As a result of this, a degree of flexibility is required in the investment assumptions made in this area, with a clear risk management approach to responding to changing demand.

Section 8

Investment Decisions / Priorities

Tenant Priorities and the Cambridge Standard

At the outset of the decent homes programme, and as part of the stock option appraisal process, the Council asked tenants to identify their priorities for investment by their landlord. This resulted in the following set of key priorities for housing service investment, identified as the Cambridge Standard:

1. Addressing Anti-Social Behaviour
2. Improving the Inside of Homes
3. Improving Homes Externally
4. Housing and Care Options after Retirement
5. Improving the Housing Service

The above priorities were identified a number of years ago, and may not now match the current priorities and enhanced expectations of residents today. The STAR Tenants Satisfaction Survey, to be complete by the end of 2011/12, will provide the opportunity to collect updated information to inform future investment decisions.

From an asset management perspective, the existing priorities have been interpreted as:

1. Meeting and Maintaining the Decent Homes Standard
2. Considering the Viability of Funding a Full Investment Standard Programme
3. Investing in Communal Areas and External Surroundings (to improve appearance and discourage anti-social behaviour)
4. Delivering a Refurbishment Programme for Sheltered Housing
5. Reviewing the Delivery Methods for both Planned and Responsive Maintenance

Outside of funding identified to meet and maintain the decent homes standard and achieve the identified investment in sheltered housing, a sum of £200,000 has been ear-marked each year for specific investment in areas to meet the Cambridge Standard, with a significant proportion of this being invested in environmental improvements across housing estates.

Tenants Incentive Scheme

For many years, the authority has identified a capital sum in the investment programme each year, for tenants and residents to bid into, to allow small projects in their locality to be progressed in line with their aspirations. Long before the introduction of the area committee process, this funding has given tenants the opportunity, on a small scale, to drive the priority for investment in their area to meet local needs.

Other Investment Decisions

Energy Costs / Affordable Warmth

The authority is acutely aware of the rising living costs that tenants and other city residents are subject to, making it more difficult for those on low incomes to sustain living independently.

In every sheltered housing scheme refurbishment, consideration is given to the merits of additional up front investment in energy efficiency measures, in an attempt to ensure that costs are kept as low as possible for older people moving into the refurbished schemes.

Loft and Cavity-Wall Insulation Programme

Using funding identified for Energy Improvements the authority will continue to increase the insulation in 200-300 lofts a year and also fill any remaining cavity walls. However, the vast majority of these walls have already been insulated. There will be a requirement to re-insulate some cavity walls where the insulation has failed - this is generally for properties that were built in the 1970s and early 1980s. New and innovative heating, lighting and building systems will continue to be trialled, as we constantly strive to increase the energy efficiency of all housing and communal areas.

SAP Ratings

At the end of 2010/11 the average energy SAP rating of the housing stock was 75 (calculated using SAP 2001). This represents a 10-point increase over 5 years. However, the rate of improvement will slow down now that many simple energy efficiency measures have been completed.

Energy efficiency work will be targeted at lower-scoring properties so that the least efficient properties are improved. The SAP energy rating software is to be updated so that the SAP 2009 methodology may be used for calculating SAP in future. This may initially appear to reduce the SAP rating as it uses a 1-100 scale rather than 1-120 scale.

Solid Wall

The Council has around 1000 properties that were built with solid walls. Although these do not have structural issues, they cannot be insulated with cavity wall insulation. Alternative internal or external insulation solutions will be required to improve thermal performance.

Retrofit

During 2010/11, the Council completed a full retrofit of an existing housing revenue account dwelling to an exemplar standard, as one of 100 national projects, at a cost of £143,000. This scheme was fully funded by way of external grant.

Although this exemplar level of investment is not viable across the entire housing stock, it has however enabled the authority to monitor the positive environmental and financial impacts of each of the installations in the single pilot property to assist in prioritising investment of limited resources across the wider housing stock.

In the exemplar property, the following work was undertaken:

Extra thick external wall (200mm), loft and floor insulation; solar PV panels; solar thermal panels; triple glazing; heat recovery boiler; LED lighting and low energy appliances.

Early monitoring indications are that gas consumption has fallen by 50% and electricity consumption by 30%.

Renewable Energy

A number of renewable energy installations have been incorporated into major sheltered housing refurbishment works. The Council will continue to explore options and opportunities to install more renewable energy into its buildings.

Gas Boilers

Almost all Council dwellings now have hot water and space heating provided by gas boilers. Some properties still have electric heating and there are a small number of properties with solid fuel heating.

The cost of installation and replacement and annual maintenance of gas heating systems is the largest single cost item in the 30-year investment programme with costs estimated at £77 million.

There is a need to review the lifecycle and maintenance costs for gas boilers to ensure the Council is obtaining the best possible value for money.

UPVC Windows

The Council invested in UPVC double-glazing to its stock starting in 1980s. Some of these windows are now thirty years old. Over time standards of security and thermal performance have increased dramatically. The Council will embark on a window replace programme. This will be a significant investment but will improve the security and energy performance of dwellings and minimise maintenance costs.

Pathways and Amenity Areas

These areas are subject to increasing levels of insurance claims against the Council. The ability to map pathways and amenity areas which the Housing Revenue Account is responsible for the maintenance of, by way of a Graphical Information System (GIS), would be a distinct advantage in both investment planning and risk management terms.

During the life of the new plan the possibility of transferring maintenance for some housing amenity pathways to the County Council will be explored. It is likely that investment will be

required in order to bring pathways up to adoptable standards in order for this to be achieved. At this stage the level of investment required is unknown.

Fencing and Boundary Walls

Little work has been undertaken in this area as the emphasis of investment to date has been on meeting the Decent Homes requirements. Information relating to outstanding fencing repairs and/or replacement has been collected and stored with a view to a planned replacement/repair programme in the future. Proposals will be brought forward for a planned programme of repair/replacement works to fencing and boundary walling, which will be subject to available funding.

Consideration will also be given to the use / procurement of a Graphical Information System (GIS) application to assist the housing service in recording and monitoring its repairing liability in this area.

Grounds Maintenance

The design of many of the estates requires the council to spend substantial sums on the maintenance of communal open spaces. Grounds maintenance for the housing estate (including sheltered schemes) currently costs £268,000 a year. Grass cutting forms a major proportion of this.

The difficulties associated with maintaining large areas of communal open space are often increased as a result of investment in environmental improvements, with a knock-on effect in terms of increased maintenance liability and therefore cost.

A review of the grounds maintenance across housing land is currently being undertaken, to ensure that standards and the level of investment are sufficient, and that the appropriate end user is meeting the cost of grounds maintenance, where this is right and proper.

The Council is also considering taking a firmer stance on the replacement of damaged garden boundaries, to clarify that work is only carried out when it is not the responsibility of the tenant.

Cleaning

Past dissatisfaction with the standard of cleaning in communal areas and a number of complaints and potential insurance claims, has led to a number of changes and additional investment in some areas.

Officers undertook work a few years ago to address the standard of cleaning provided in communal areas of the housing stock, with a service review of the communal cleaning service seeing market testing of the current service and consideration of options for alternative delivery models.

A survey of communal areas, and in particular communal floor coverings, has resulted in the introduction of an investment programme of £500,000, with works being undertaken between 2010/11 and 2013/14 to address some of the issues raised. These works will address the floor coverings in the communal areas considered higher risk, replacing existing surfaces with a non-slip composite floor covering, anticipated to be far safer and easier to clean.

The introduction of the Estate Services Champion, piloted in the south of the city, is anticipated to assist in monitoring the standards of cleaning being provided to tenants and allow early intervention in the event of any failure in service delivery or deterioration in building components.

In recent months, the Housing Regulation Panel (HRP), have undertaken an independent review into the quality of the current service provided by Streets and Open Spaces, with a view to agreeing further service improvements.

Communal Lighting

Maintenance activity to communal lighting has historically been undertaken on a reactive basis, an approach that is disproportionately expensive. During winter months communal lighting is also often the source of a number of resident's complaints.

Over the last five years, many communal lighting systems have been replaced with new low energy units together with replacing all mechanical/electrical timing gear with new dawn to dusk electronic control mechanisms.

Further benefits could be derived from moving to a planned preventative approach to maintenance of these systems, for example, with lamps being changed in accordance with their design life, whether they have failed or not and in so doing drastically reducing reactive maintenance activity (and costs) in this area and hopefully significantly increasing resident satisfaction.

Security

Security in the home, and feeling safe in the surrounding area, is of key importance to tenants and leaseholders of the Council. Investment in environmental improvements, coupled with a pro-active approach to dealing with anti-social behaviour, helps to create a better living environment across housing estates.

Specific investment, for example in door entry systems to control access to the communal areas of flatted accommodation or the introduction of security doors to properties accessed from the street or an open corridor, provides a more secure living environment for residents.

Door entry systems are installed in all category II sheltered schemes, with a contract in place to ensure that controlled access can be granted as required. Key safes are also installed in properties where emergency access may be required. A programme to install new Glass Reinforced Plastic (GRP) front doors to houses is underway.

Communal Open Space

The design of the Council's housing estates incorporates large areas of open space that require upkeep and maintenance. The 3-year affordable housing programme facilitates option appraisal for the potential regeneration or better use of this open space and therefore a reduction in ongoing maintenance costs.

Recent investment, utilising funds set aside to meet the Cambridge Standard, has allowed conversion of existing under-utilised communal open space to create additional parking provision on estates, meeting the identified needs of local residents, while also reducing the ongoing maintenance liability for the land.

Recycling and Supporting Infrastructure

Significant investment, anticipated to be in the region of £600,000 by the end of 2012/13, has been directed to address the need to create appropriate recycling facilities across housing estates. The investment has allowed well-placed, practical recycling facilities to be provided in a number of areas across the city, which if utilised as intended, should help increase the volume of waste that the Council is able to recycle, while also reducing the costs to the Council, and therefore the Council tax payer, of removing fly-tipped waste.

Environmental Works

A significant proportion of the Cambridge Standard funding has been invested in environmental works, with a number of estates benefiting from hard landscaping, replanting, improved lighting. This investment has sought to improve the general appearance of housing estates, making them more attractive places for tenants to choose to live.

Emerging Technologies

To get the best from our housing assets, it is important that the organisation takes full advantage of enhancements in existing technology and the development of new technologies. There is always some risk in being an early adopter of new technologies, with the need to undertake full risk assessments before committing to new initiative in the market place on any great scale. Often, a prudent approach is advisable where new technologies are not widely tested, with the introduction of new initiatives using a pilot scheme, before committing on a wider scale

Aspirational Investment Standard

Since the introduction of the decent homes standard, investment in the housing stock has been targeted to achieve and maintain the required standard, as intended from the outset.

The level of investment required to comply with the decent homes standard is not a full investment standard approach to asset management. Subject to funding being available, there is a strong argument to operate an investment standard model, where building components are replaced proactively when they become life expired, as opposed to reactively, when a combination of their age and condition means that they fail. This planned approach to investment ensures that the best procurement benefits, both in terms of service delivery and supply chain, may be realised, whilst also significantly reducing the cost of reactive (responsive and void) maintenance and improving tenant satisfaction levels.

With this in mind, the base assumptions in the business plan include a transition to a full investment standard over the first 10 years of the life of the business plan.

Section 9

Housing Need

Strategic Housing Market Assessment

The Cambridge Sub-region's Strategic Housing Market Assessment (SHMA) assesses need and demand for housing across Cambridge City, South Cambridgeshire, East Cambridgeshire, Huntingdonshire, Fenland, Forest Heath and St Edmundsbury District Council areas. It has been developed with a number of local partners, and provides an evidence base to guide investment in housing across all tenures.

It includes information, from a variety of sources, including data and analysis around local demography and economy, housing stock and tenure, house prices and rent levels, need for specialist housing, etc. With high demand for housing, and high house prices and rental costs in the City it identifies that 1,910 new affordable homes would need to be built each year over the next five years to meet existing and newly emerging housing need.

General Housing Need

Cambridge is a city with a growing population. Demand for housing, and housing costs, are high; the ratio of average house prices to average earnings is around 9:1, and private rent levels are some of the highest in the country outside of London.

There are currently around 7,000 households on the housing register.

The biggest population increase between 2001 and 2021 is expected to be in the 30-59 age group, but there are also expected to be significant increases in Under 15s, and in the 60-74 age group.

Changes to the Welfare system currently being introduced are expected to have a major impact on working age benefit claimants in the private rented sector, and this is expected to increase demand for social housing. The proposed introduction of a limit to the amount of benefit claimed by social and private tenants of working age who are under-occupying their homes may increase the demand for smaller homes.

This indicates a need to retain and continue to develop affordable housing in a mix of housing sizes and types to meet a range of household types. The Affordable Housing Supplementary Planning Document indicates a need for a mix of 50% 1 and 2 bed properties and 50% 3 and 4 bed in new developments, with no more than 10% to be 1 bed and no less than 20% to be 3 bed.

Specialist Housing Need

The number of older people in the City aged 60 plus is expected to increase by around 7,800 between 2001 and 2021.

Many of those are expected to want to remain in their own homes, with support and/ or care being provided where necessary, mirroring the main direction of travel for allocating Supporting People funding.

The number of sheltered housing units in the City has been reduced over recent years, by the Council and other providers, and we will need to continue to monitor the ongoing need and demand for sheltered housing in its current form as self-directed support becomes more widely used.

Whilst the number of residential care units has reduced across the City, there is expected to be an increasing need for specialist housing for older people with care needs, including those with dementia. There is a county-wide commitment to support the further development of extra-care housing, although generally priority will be given first to meeting needs in other districts in the county where there is less existing provision than there is in the City.

There will also be an ongoing need to provide disabled-adapted housing designed to meet the specific needs of particular households. There are currently around 85 full or part

wheelchair users on the needs register, some of whose needs can be met through adapting existing housing, but others of whom will need bespoke solutions.

Some need for group-housing for people with Learning Disabilities has been identified, and further needs may be identified, with a number of people who have been placed out of county needing to be relocated within Cambridgeshire.

There is also a need for some site provision for Gypsies and Travellers in the City.

General needs housing with support and/or care going in would normally be expected to be sufficient for people with other specialist needs, although in some cases there may be issues around location and proximity to other residents.

Growth

Significant numbers of new homes are to be built in the City over the coming years, with the main growth being planned in the urban fringes in partnership with South Cambridgeshire District Council. The Council expects 40% of new housing on larger sites to be provided as affordable housing, with around 1300 new affordable homes planned between now and 2015.

The Council will need to plan for and monitor the impact of this growth to ensure that it benefits existing communities, and that it does not lead to any devaluation or deterioration of existing homes and neighbourhoods.

Changes in Tenancy Regulations

Under the Localism Act the Council has the option to offer 'flexible tenancies', a new form of fixed term tenancies. Also under the Act, Councils are required to publish a Local Tenancy Strategy to guide all Registered Providers on what they must have regard to in deciding: the types of tenancies they will grant; the circumstances in which they will grant a particular type of tenancy; where they grant tenancies for a fixed term; the lengths of the terms; and the circumstances in which they will grant a further tenancy on the coming to an end of an

existing tenancy. Further as a Registered Provider, City Homes must have a Tenancy Policy confirming the basis by which different forms of tenancy will be offered, and in what circumstances. The Local Tenant Strategy and City Homes Tenancy Policy will be developed in parallel, with a view to both being approved by the Executive Councillor for Housing in June 2012.

Section 10

New Build

New Build

Possible new build council house sites are proposed on vacant land, in areas that have been identified as an inefficient use of the land, to replace dwellings that are of a poor standard, are hard to let or are in poor condition. Therefore the provision of dwellings with higher quality standards in these locations would be an overall benefit to the council's housing stock.

It is the aim of the new build council houses programme to provide a net gain of affordable housing in the city. The gain will be modest due to smaller, existing dwellings being replaced by a mix of sizes of dwellings and also a mix of tenure on the schemes.

A consideration when investigating potential new build council house sites is the most appropriate form of housing for that particular site. Specialist housing for older people is a key area of focus outside general needs housing. There is also some need for specialist housing for people with Learning Disabilities. For those people on the needs register requiring wheelchair accessible housing, there is the opportunity to provide specific new build council houses, rather than adapting their homes.

Affordable Housing

Part of Cambridge City Council's vision is to recognise and meet the needs for housing of all kinds - close to jobs and neighbourhood facilities. The new build council houses programme seeks to contribute to this part of the vision by providing good quality affordable housing and market housing on council land. This is achieved through the 3 Year Affordable Housing Programme, where the Executive Councillor for Housing approves areas of council owned land to be investigated for development.

In September 2011, Cambridge City Council was successful in securing grant funding from the Homes and Communities Agency (HCA) to deliver 146 affordable housing dwellings between April 2011 and March 2015. This programme of housing delivery is based on sites that have gained approval to be investigated for development through the 3 Year Affordable Housing Programme.

There is flexibility within the four year grant period, in terms of what dwellings will be delivered and where. The Council will deliver the affordable housing dwellings with grant in partnership with a house-builder / developer. The majority of schemes will comprise both affordable housing and market housing, where the market housing will cross subsidise the delivery of the affordable housing. In this scenario the affordable housing will be owned and managed by the Council and the risk of selling the market housing will be the developer's.

Another option available to the Council is to deliver more complex sites with both a developer and Registered Provider (RP).

The Council may also decide to work solely with RP's to provide affordable housing on council owned land. In this case the grant secured by Cambridge City Council will not be transferable to the RP's, who will have their own funding structure in place, as the Council will not be retaining the management of the Affordable Housing delivered in this way.

Also included in the base assumptions in the business model is the potential for the authority to deliver the affordable housing on the council owned Clay Farm site. The site is currently owned by the General Fund, with the mixed tenure housing development scheme not only delivering an estimated 104 affordable homes, but also generating a capital receipt for the council.

Section 11

Procurement and Delivery

Procurement Strategy

The current procurement strategy was adopted in 2009 and runs until 2012. Primary actions outlined in the strategy included hard and soft market testing of various service elements which has since been completed.

Hard market testing of planned maintenance activities including cyclical redecoration and major aids and adaptations resulted in The Apollo Group and Kier Services being appointed to undertake these works from July 2011 for a period of five years.

Soft Market testing of the reactive and voids maintenance service resulted in a robust improvement plan being adopted for the internal service provider. At the end of the improvement plan in September 2013 Members will consider progress made and the nature of future service provision.

Corporate changes have since also resulted in client activity having been merged with the contracting elements of the service with a view to eliminating inefficiencies and duplication of effort. Conversely these changes have resulted in some delay being incurred in delivery of the desired improvement outcomes although good progress may be demonstrated.

The following principles guide all procurement activity undertaken by this Council:

We will:

- Strive to achieve best value in all our procurement by making it more economic, efficient and effective
- Consider all practical delivery options
- Commit to a mixed economy of suppliers to meet the needs of service users and the local economy

- Be fair, transparent and consistent in the conduct of all of our procurement
- Be informed by the views of service users (and non users where appropriate) in designing our procurement
- Improve and be open to innovation when planning procurement
- Use our procurement activities to promote the social economic and environmental well-being of the City where this will achieve best value for the Council
- Identify and manage risk including those relating to the health and safety of the public and officers
- Be effective and committed members of any partnership relationships
- Manage contractual relationships effectively from the start to the end.
- Recognise the importance of well-motivated and well trained staff to the delivery of best value services
- Use our procurement activities to promote equality of opportunity.

Internal Service Delivery

At the same time as it was agreed to externalise planned maintenance works for the period from 2011/12 to 2015/16, it was agreed to retain the delivery of reactive maintenance services in-house. This decision was subject to the successful delivery of services against an agreed improvement programme, to ensure that tenants and leaseholders of the Council receive a value for money repairs service.

Response Maintenance

The in-house team delivers the day-to-day maintenance service. The number and average cost of repairs completed annually over the last six years has been as follows:

Routine Repairs Completed (Per Oracle / Orchard)	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
No. of repairs	15,606	16,254	14,503	14,840	15,185	16,569
Total cost of responsive repairs	1,449,867	1,623,598	1,618,405	1,689,836	1,684,761	1,937,597
Average direct cost of repairs	92.90	99.89	111.59	113.87	110.95	116.94
% change in average cost relative to 2005/06	0%	7.5%	20.1%	22.6%	19.4%	25.9%

Note: Local authority maintenance cost indices show a rise in costs of 14% during this period. (Source: BCIS Local Authority General Building Maintenance Indices Jan 2006 – April 2011).

The response maintenance budget has significantly overspent in recent years, despite the incorporation of additional resource in 2009/10 and from 2010/11 on an ongoing basis.

130 houses and 102 flats totalling 232 properties were sold during the 6-year period from April 2005 to March 2011. Allowing for house sales in the interim, in 2005/06 the response maintenance spend per property was £191.81 and in 2010/11 was £264.45. (based on average property numbers in the year)

In 2005/06 there were an average of 2.08 repairs per annum for each household and in 2010/11 there were 2.26, an increase of 0.18 jobs per dwelling or 9%.

The repairs and maintenance improvement plan has actions which aim to address these issues.

Void Repairs

The council has taken management action to further improve the voids management process.

Routine Void Repairs Completed (Per Orchard)	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
No. of voids	625	600	577	665	702	620
Total cost of void repairs	1,467,369	1,406,562	1,130,975	1,363,566	1,681,443	1,564,302
Average cost of void	2,347.79	2,344.27	1,960.10	2,050.48	2,395.22	2,523.07
% change in average cost relative to 2005/06	0%	(0.15%)	(16.5%)	(12.7%)	2.02%	7.47%

Re-let standards have been overhauled since 2003 with Decent Homes work being undertaken within voids as required. Generally void standards have risen together with associated customer satisfaction levels. A more consistent approach to voids is now also in place across the City. Revenue costs however, remain relatively high when garage voids are removed from aggregated average void costs. Garden clearances in particular, are very expensive.

The Council is aiming to improve void turnaround times. The 'key to key' target for turning around a void is 35 days, which was not met last year. Notwithstanding the undertaking of Decent Homes related work in voids, advantage must be taken of the early notification of termination by a sitting tenant with works following as soon as is possible. A target of 13 working days for the works component of the overall voids process has been established. Detailed monitoring of the whole of the voids process including lettings operations is taking place and has illustrated slack in the works component part of the overall process, which should be taken advantage of so as to improve overall performance.

Emergency and Urgent Repairs

The Audit Commission has published in the past commentary relating to an indicative best practice target for emergency work of 10% of all responsive repair activity and for 30% or less for urgent and emergency work combined. Further, there is an expectation that the proportion of reactive maintenance overall should be minimised by further emphasis being placed on planned rather than reactive maintenance.

A number of actions have been taken in order to address the historically high level of emergencies being issued with Cambridge, including a more assertive stance being adopted by staff when taking 'emergency' repair calls, so as to determine if the request is indeed an emergency. This has proved to be of some benefit in reducing calls incorrectly described as emergencies. Repair categories, following consultation, have also been rationalised and now fall into three categories only i.e. 24 hour, 7 day and 28-day response times. This places additional emphasis on turning around urgent work more quickly. Urgent and emergency repairs are now to be undertaken within 24 hours wherever possible. Currently some 18.56% of all repairs are 24-hour jobs.

The repairs and maintenance improvement plan has actions which aim to address these issues.

External Service Delivery

Planned Maintenance

During 2010/11, a large scale procurement exercise was undertaken to select a partner to work with the Council for a period of 5 years from 2011/12, to deliver planned maintenance services across the housing stock.

The contract was awarded to Apollo Property Services Group, and staff who had previously delivered this programme of works in-house, were transferred to Apollo for a contract which began in July 2011. Kier Support Services were appointed as a secondary contractor.

The scope of the planned maintenance contract includes all of the investment elements associated with the maintenance of the decent homes standard, in addition to investment in garages, asbestos removal, fire safety works, fencing, environmental improvements, works to communal areas and major projects such as sheltered scheme refurbishments. The planned maintenance contract will also deliver the planned revenue investment, which consists of a rolling 7-year external paint and repair programme for the housing stock.

Gas Servicing / Maintenance

The Council has a contract with Morrison Facilities Services in conjunction with South Cambridgeshire District Council to inspect, service, maintain and repair gas appliances to all domestic Council-owned dwellings where gas appliances are the Landlord's responsibility, in line with statutory duties of Gas Safety (installation and use) Regulations 1998. The contract was let in July 2009 for a term of 4 years with the option to extend by a further 12 months.

Work is underway to improve the IT links between the Council's housing management and asset management information systems and those used by Morrisons, to eliminate as far as possible any duplication of data input and therefore deliver a more efficient service. KPI data is currently running at a monthly reported compliance figure of 100%.

Mechanical and Electrical Services Maintenance

The Council has a corporate contract for building services planned maintenance. The contract was let in April 2007 for a term of 4 years, with the option to extend by a further 12 months. This contract is due to expire in 2012 and these services will be re-procured.

There are a number of contract areas covering the following aspects of service delivery:

- Mechanical maintenance
- Lift maintenance
- Door access systems
- Electrical maintenance
- Air cooling equipment maintenance
- Fire safety equipment maintenance

Currently mechanical and electrical maintenance services in sheltered housing are provided by Aqua Imtech, covering the inspection, servicing and routine maintenance of all electrical appliances within communal areas. The contract covers items such as showers, cookers, fans, calorifiers, hot and cold water services, radiators, thermo-static mixing valves, cold water tanks, control panels, pumps, gas heaters, fire alarms and commercial boilers.

Lift Inspection / Maintenance

Passenger Lifts and stair lifts are contracted out to Kone under six separate lots comprising of mechanical maintenance, lift maintenance, door access systems, electrical maintenance, air cooling equipment maintenance and fire safety equipment maintenance. The scope of the contract is to inspect, service, maintain & repair passenger lifts in sheltered housing sites and four medium rise blocks Citywide. The contract was let in April 2007 for a term of 4 years, with the option to extend by a further 12 months. Bi-monthly meetings are held with Kone to review quality & service delivery.

Other Cyclical Maintenance

Door entry systems - Bi-monthly maintenance/inspection of fob readers & access control equipment to all sheltered blocks & general housing communal entrance doors are carried out under the building services contract.

Fire equipment - Maintenance and inspection of fire equipment is carried out under the building services contract.

TV aerials - A contract for the maintenance & repair of existing communal systems to large flat blocks & sheltered schemes is to be procured in 2012.

Affordable Housing Development Partnership Framework

Cambridge City Council will deliver the new build council houses outlined in section 10, either with a house-builder / developer or registered provider as the delivery partner(s), via the Affordable Housing Framework Agreement.

This framework agreement allows the Council to appoint a delivery partner on a scheme-by-scheme basis. In order to work with a developer the Council can appoint the single developer on the framework agreement. When the Council works with RP's a mini-competition will be run to select one partner from the four for a specific scheme. If both the developer and an RP will be required to develop the site a competition process will also be required.

Future new build schemes will need to be designed and specified in order to minimise lifecycle costs so that future maintenance requirements are simple and affordable.

Section 12

Resident and Stakeholder Involvement

Regulation

The Estates and Facilities service is aware of the need to keep pace with the changing requirements of regulators, especially in regard to residents monitoring services. The role of tenants in co-regulation has been embraced by Cambridge City Council with the introduction of the Housing Regulation Panel (HRP) and the Estates and Facilities Team have also built specialist monitoring groups such as the Residents & Tenants Liaison Group, Green Inspectors (led by an 'Estate Champion', based at city homes south, who identifies environmental issues and carries out low level grounds maintenance and RI involvement projects around estates), Void Inspectors, Resident Site Inspectors, Decent Homes Inspectors and a Gas servicing monitoring group, and are looking to set up a Repairs Inspector group.

Housing Management Board

Housing Management Board have played an integral role in the planning and budget-setting within the Decent homes programme and continue to oversee and agree the spend in relation to planned and day-to-day maintenance.

Ward/County Councillors

In terms of affordable housing, Ward Councillors and County Councillors are informed once a site in their ward or District Council area is approved by the Executive Councillor for Housing and added to the Three Year Affordable Housing Programme to be investigated for development. Councillors are not informed prior to this as sites are confidential until this point. During the investigation phase consultation letters to local residents are copied to Councillors. Officers will also update Councillors between letters to local residents if pertinent. If a site is

considered appropriate for development and prior to a planning application being submitted, Councillors are invited to consultation events held in relation to the redevelopment of sites. On sites that are successfully developed Councillors are invited to visit the completed scheme.

Housing Regulation Panel (HRP)

As part of its wider remit and the government's desire to achieve co-regulation, the Housing Regulation Panel (HRP) will monitor service delivery and inspect the performance of the Estates & Facilities Team as necessary. As the group is properly constituted; its members, a group of tenants and leaseholders, have been properly trained and have formal powers to seek evidence and hold officers and councillors to account. The HRP has already carried out independent surveys of council services and the Council has adopted its recommendations.

Residents and Tenants Liaison Group (RTLG)

This group meets monthly to discuss maintenance of the Council's housing stock. Its members are tenant and leaseholder representatives and Council officers from the Estates and Facilities team and City Homes.

The purpose of the group is to:

- Provide a forum for residents and Council officers to discuss the Council's asset management plan and any issues arising from it.
- Consider the performance of contractors appointed by the Council.
- Consider reports on new initiatives and considers how to implement them.
- Increase residents' capacity to take part in tender evaluation exercises and attend meetings with contractors.
- Provide a pool of trained resident members who can carry out site inspections and report back to the group their findings.

Tenants & Leaseholders

Tenants & Leaseholders are kept informed on day-to-day repair and programmed work scheduled via letters and the quarterly tenant and leaseholder magazine, Open Door, with features such as:

- Photos and interviews on tenant satisfaction with decent homes work.
- Publication of the scheduled works due to be completed on specific estates.
- Keeping residents informed on the selection of the contractors appointed to carry out decent homes work.
- Free postal surveys to consult residents on improvements they wish to see in the repairs service.

Garage Tenants

The service regularly promotes the availability of garages through features in Open Door magazine. The service is administered through City Homes, who ensure tenants are kept up-to-date with policy and hire changes etc. There has been significant consultation with garage tenants to identify the improvements required to prevent anti-social behaviour that can be a common problem within garage blocks. There has been improvement works carried out at a number of garage sites in the last few years.

Contractors / Partners

The Council is committed to delivering value for money through a partnering approach to housing maintenance.

The Council has a Strategic Partnering Agreement with its main service providers for planned maintenance works and gas maintenance. A partnering approach is used for all major project including major refurbishments of sheltered housing schemes. The strategic partnering agreement is an over-arching, multi-party partnering agreement compatible with the NEC3 Term Service Contract.

The Council's approach to partnering includes a five-year programme of works with incentives. The objectives of the Strategic Partnering Agreement are:

- To augment the relationship between the Partners.
- To set out the common Objectives and Key Performance Indicators and to determine how the Partners will achieve them.
- To provide a forum for sharing ideas and experiences, to solve problems jointly and ensure a holistic service for Residents.

Section 13

Customer Perceptions

STAR Survey (Satisfaction Tenants and Residents)

A Tenant satisfaction survey used to be a government mandatory requirement that was completed every two years, and which followed a standardised method of delivery. The results are also an integral quality measure in Benchmarking. There was a temporary halt to this process when the coalition government came to power in 2009. The original standardised survey has since been re-designed and re-launched by Housemark, the HRA Benchmarking provider, albeit with more flexibility as to the duration, timing, content and method of delivery. This will ensure quality and benchmarking data is not lost and regular engagement with tenants is carried out on a more formal basis.

Cambridge will complete this survey for both tenants & leaseholders in 2011/12. The survey has been developed in partnership with managers and tenants (via HRP) to ensure that the questions asked, are those that most matter to our customers. These results will also inform the Housemark Benchmarking for 2011/12; an important update in the measure of the quality of services, as the last tenant satisfaction survey was carried out in 2008.

It is intended to use the results to investigate further, any areas of tenant & leaseholder dissatisfaction, allowing the authority to prioritise future service investment.

Repairs Satisfaction Surveys

Repairs satisfaction is currently measured via the return of slips attached to each job ticket. This however is a not particularly robust method for collecting good satisfaction data. The ultimate goal is to carry out the surveys on site via a PDA but this requires the mobile working facility. It is proposed to introduce a temporary improvement (pending the introduction of the mobile

facility) for the Customer Service Centre to carry out satisfaction surveys by phone, entering the responses directly into Orchard.

To ensure that the quality of all urgent, routine and void jobs is such that the customer does not need to report the same job more than once, 'first-time-fix' will also be monitored via the survey.

Performance Management

Performance management is focused on key performance indicators that measure resident satisfaction, quality of works and time taken to complete work.

The Strategic Partnering Core Group:

- Monitors the performance of maintenance Partners and Partnering Sub-Contractors;
- Reviews the Key Performance Indicators;
- Amends the Key Performance Indicators or the contents of any incentive scheme;

The Estates and Facilities team will be implementing a performance audit ("Performance M.O.T.") every six months which consists of:

- A review of KPI statistics
- Project performance assessment
- A review of payment / invoicing issues

KPI dashboards have been produced for both day-to-day repairs and voids and planned preventative maintenance, which focus on the key components of effective performance management - time, cost and quality.

As well as the above, and being part of the wider Housing performance management processes (quarterly PI monitoring via SLT & HMT, and annual spotlight reporting), the Estates & Facilities team have the following systems in place to ensure delivery of the Repairs Improvement Plan:

- A Repairs Improvement Plan Scrutiny Panel monitors progress and achievements against the relevant tasks and actions. This group is also responsible for recommending that the service is either retained in house or is subject to out-sourcing via a tender.

- An operational group of officers and residents will be established to implement the actions set out in the Improvement Plan and this group will report to the Repairs Improvement Plan Scrutiny Panel on a quarterly basis

- Monthly team meetings take place:
 - To review the progress of the improvement plan
 - To give all staff the opportunity to feedback information and offer suggestions
 - To enable Managers to feedback to staff performance against current Key performance Indicators
 - To ensure customer feedback is openly discussed

There is a need to develop a system of more detailed performance measurement within Asset Management: to assess the contribution of assets to the achievement of organisational goals; and property measures designed to measure the performance of asset categories.

A review of the entire asset management system will be carried out in order to establish that all of the key elements of asset management are present and represent best practice.

The performance evaluation of the asset management system would cover

- Strategy development
- Programme development
- Programme delivery
- Performance management
- Change management
- Leadership
- Customer focus
- Organisation and roles and responsibilities
- Resources and capacity
- Sustainability
- Data management
- Value for money

Benchmarking

Repairs & Maintenance benchmarking is completed annually as part of the wider HRA Benchmarking undertaken with Housemark. The intention of the Estates & Facilities Team is to investigate methods of reducing overall costs of responsive repairs and voids by reviewing the following:

- Productivity levels per employee (aim: Productivity level of £75k per directly employed operative (i.e. excludes the value of sub contracted work))
- Review materials through the supply chain
- Average cost of a day-to-day repair
- Average cost of a void repair

Section 14

Improvement / Action Plan

New Build Surveys

In order for Cambridge City Council to improve the quality of affordable housing being developed, a survey will be produced and distributed to the residents of the new build properties.

Feedback received from these surveys will help the organisation refine development proposals for any future affordable housing schemes, assisting in the delivery of quality accommodation that will meet the aspirations of both existing and future tenants.

Repairs and Maintenance Improvement Plan

To demonstrate that retaining the provision of responsive and void repairs in house delivers best value for tenants and leaseholders of the Council, an improvement plan has been agreed. A soft market testing exercise of the reactive repairs service indicated that there were improvements that could be made to the way in which services are delivered.

The Repairs and Maintenance Improvement Plan addresses the need for:

- Improved Internal communication
- Improved Technology and Innovation
- Improved Service Delivery
- Improved Resident Involvement
- Improved Inter-Departmental Working Practices
- Improved Productivity / Reduced Costs

The Repairs and Maintenance Improvement Plan is included at [Appendix B](#) to this document.

Estates and Facilities Operational Plan

The Council's Estate and Facilities team are responsible for delivering asset management services, contract management, facilities management and operational delivery of repairs and voids services.

Each of the Council's service areas produces an Operational Plan that sets out service objectives for the coming year.

The Estates and Facilities Operational Plan is included at [Appendix C](#) to this document.

Asset Management Action Plan

The asset management action plan is a schedule of projects and activities that will improve the Council's asset management. These include surveying and re-surveying assets to assess condition and investment requirements, forward planning to assess the impact of external changes, and reviewing existing methods of service delivery.

The action plan covers a three-year period that will be reviewed and updated annually in order to respond to organizational objectives.

An asset management action plan for the medium term has been prepared and is included at [Appendix D](#).

Section 15

Information Systems

Current IT Infrastructure

From an asset management and property maintenance perspective the housing revenue account relies heavily on the business critical IT infrastructure, which exists to support the service.

There are a number of IT applications currently deployed, which support various elements of the business.

Orchard Housing

Orchard Housing Management Information System is an integrated housing management application, which operates on a modular basis. The authority currently uses the key common module, which holds detail of the housing stock owned or managed by the housing revenue account. It also deploys the rents and arrears module, which holds tenancy, rent collection and arrears management information, the service charge module which supports all activity in respect of recording details and recovering service charges for leasehold properties and the right to buy module, which assists in managing the process of selling properties under the right to buy legislation.

In addition, and of particular reference to this plan, the authority also utilises the repairs client module, which records details of all responsive repairs, void repairs and void inspections raised, whether against the dwelling, block or street.

The appointments module is used to schedule appointments for repairs, both in terms of confirming this to the tenant and arranging the staffing resource required to respond and deliver the required repair.

The planned works module allows the recording of all decent homes and planned jobs ordered, whether revenue or capital funded.

The lettings and void module is deployed to manage the workflows associated with a vacant property, from the point at which the outgoing tenant gives notice, to when a new tenant occupies the property.

Codeman / Arcasset

Codeman is the asset management database currently deployed for assets owned and managed within the housing revenue account. The system enables the age and condition of each dwelling to be recorded on a component-by-component basis, alongside the anticipated investment need for each property, profiled over the longer term.

The system allows for assumptions in the investment profile to be amended to facilitate modelling of a variety of investment scenarios for both business planning and asset management decision-making purposes.

OPENContractor

The OPEN Contractor system, currently utilised in Estates and Facilities, is an IT solution, which meets the requirements of a direct labour organisation. The system, based around a common core of people and property information, supports the creation of work tickets, job costing, workforce management, task charging, purchasing, stock recording, stock control and electronic data interchange.

A system called Data Stocks is operated alongside OPENContractor to facilitate the management of stock, using a bar coding methodology to record stock items and allocate them to both operatives and jobs.

Both OPENContractor and Data Stocks are currently used to provide a stores function to internal departments other than Estates and Facilities.

MICAD

The Council utilises the MICAD web server to perform the role of an asbestos register. The system enables multiple records to be maintained and viewed from a number of sites. The

database records the location and condition of Asbestos Containing Materials (ACM's) by department, building, floor, room or individual space.

MICAD automatically performs the risk assessments required for materials to comply with the legislation. Risk assessments for each ACM are performed using a combination of the material assessment (product type, damage/ deterioration, surface treatment, asbestos type) and the priority assessment (location, material extent, use of location, occupancy level, activities carried out, likelihood/ frequency of maintenance activities).

The majority of the information held would be classed as Management Survey information as it was either Type 1 or Type 2 surveys when undertaken. Where refurbishment works have been undertaken a Type 3 survey or as is known now and Demolition and Refurbishment survey would have been undertaken.

Housecall

The Housecall web based application, allows simple reporting of repairs on line by tenants or leaseholders. Its picture based repair diagnostic tool enables the users to accurately identify the repair needed. This system will be reviewed as part of the repairs improvement plan.

Cemar

CEMAR is a web-based NEC3 contract administration tool that is used by Council staff and our partners. Using this tool enables a seamless exchange of orders, queries and work completions while insuring full compliance with the contract terms by both parties.

Future IT Aspirations

Property Attributes

This module of the Orchard Housing application is included in those deployed in the housing service, but is not yet being utilised effectively, This module will allow an element of integration between the housing management information system and third party applications.

Work is in progress to facilitate integration with the systems operated by the Council's gas maintenance partner, Morrisons, to allow gas safety inspection information, certificates

(CP12's) and boiler serial numbers, to be automatically recorded against a property record in the housing management system, reducing duplication of effort by both organisations.

The same module can also be integrated with the Codeman asset management database, again minimising elements of duplicate entry currently required.

Repairs Contractor Module

This module, again of the Orchard Housing application, could be used to allow integration / interfacing with third party contractor systems, thus avoiding duplication of effort by both parties.

Replacement of Direct Labour Works Management System

A review of the existing solution, OPENContractor is underway, with an expectation that the system will require replacement. An upgrade of the previously used Contractor Plus application to the newer and supported version of the application, OPENContractor, a number of years ago has not delivered the benefits anticipated. Vigorous attempts have been made to encourage the supplier to meet the organisation's expectations, but the required development of the system has not been forthcoming.

There are clear benefits to be realised from attempting to rationalise the number of applications that the housing service uses, and to ensure that any third party applications integrate / interface as seamlessly as possible. This review is an opportunity to ensure that any replacement system meets not only current requirements, but also clearly defined future expectations for the service. To deliver future efficiencies in the repairs and maintenance service, it is vital that any system procured not only meets the needs of routine service delivery, but also provides the required level of management information to aid decision making.

Mobile Working and Work Scheduling

To support the retention of the responsive and void repairs services in-house, the key requirements to improve productivity and therefore reduce costs are the introduction of mobile working and work scheduling solutions.

The use of mobile devices, will enable operatives to be directed from job to job when they are signed on, without having to attend the depot to be given job tickets, which will save

considerable time. Although the housing stock is not geographically dispersed as it is in say, South Cambridgeshire, the volume of traffic in the city means that the time taken to travel short distances is significant. Vehicles would carry imprest stocks and operatives would only need to attend site to re-stock as required.

An effective work scheduling system will allow operatives to be assigned to jobs in the immediate vicinity of a previous job, or to be re-directed to respond to an emergency / urgent repair in their locality in an efficient manner.

A combination of a mobile working solution and work scheduling applications will facilitate an efficient repairs service, incorporating real time communication between front line services and the back office, thus allowing timely communication with customers in line with increased expectations.

Replacement of Asset Management Database

With the investment profile of our housing stock being key in decision making in a self-financing environment, consideration also needs to be given to whether the existing asset management database is fit for purpose going into the new operating environment. There are other applications in the market place, which appear to better meet the needs of an expanding housing business, providing better flexibility and data management, allowing greater data manipulation and facilitating clearer option appraisal and reporting. A full review of the Council's requirements will be undertaken to determine how best to meet the changing needs of the service.

Graphical Information System (GIS)

There are clear benefits of operating a GIS system, which would allow the mapping of multiple items relating to the housing stock and surrounding estates across the city.

Such a system would allow mapping of a multitude of operational housing information, such as footpaths, fencing, boundary walls, anti-social behaviour hotspots, communal space, property types, size and density and development land.

Section 16

Risk Management

Insurance

The Council insures its housing stock assets by combining external insurance with the operation of an internal insurance fund. A number of years ago, the Housing Revenue Account took a policy decision to partly 'self-insure' the housing stock, taking an insurance policy with a stop loss of £250,000 per annum. This arrangement requires the authority to meet the first £250,000 of insurance losses in any one insurance year, but serves to significantly reduce the level of annual insurance premium that would otherwise be payable.

The financial risk that this poses requires both the inclusion of an annual budget of approximately £57,000 to meet the costs associated with what would otherwise have been routine insurance claims met by the insurer, coupled with a requirement to maintain HRA balances at such a level that meeting the first £250,000 of any large claim in any one insurance year would not cause irreparable damage to the business.

This arrangement is kept under ongoing review, providing the opportunity to fully insure at any point should this be deemed appropriate in both business risk and financial terms.

As a result of this arrangement, it is crucial that any works that would normally have resulted in an insurance claim are recorded in such a way that if the threshold is reached in any one insurance year, evidence can be provided and a formal claim can be made.

Unforeseen Major Incident

The risk of a major incident in the city, which affects the housing stock, will always exist. An incident resulting in a loss of more than £250,000 would be expected to be met by the Council's insurer.

The impact of a major incident is not only about cost, but about the way in which the Council, and partner organisations, respond to address the issues that any incident may raise. A major incident team exist to respond to a major incident in the first instance, with the organisation responding to provide rest centres and temporary / alternative accommodation until work to any Council stock can be undertaken.

Flood Damage

Some of the Council's housing stock lies within a potential flood plain in the event of exceptional flowing of the River Cam. The probability of this plain being inundated is calculated to be a 1 in a 100-year event.

Planning Policy Changes

Currently both national and local Planning Policies are being reviewed, the results of which will impact the new build council houses programme. The major change to national planning policy is the publication of the Draft National Planning Policy Framework, which will replace the current suite of national Planning Policy Statements, Planning Policy Guidance notes and some Circulars with a single document. The framework sets out the Government's key economic, social and environmental objectives and the planning policies to deliver them. The Government has advised that in many areas, the core approach and principles remain the same.

In terms of changes to local planning policy, Cambridge City Council members have approved the introduction of the Community Infrastructure Levy (CIL) in Cambridge. Implementation of the CIL will run in parallel with the Local Plan Review, which is anticipated to be adopted in 2014.

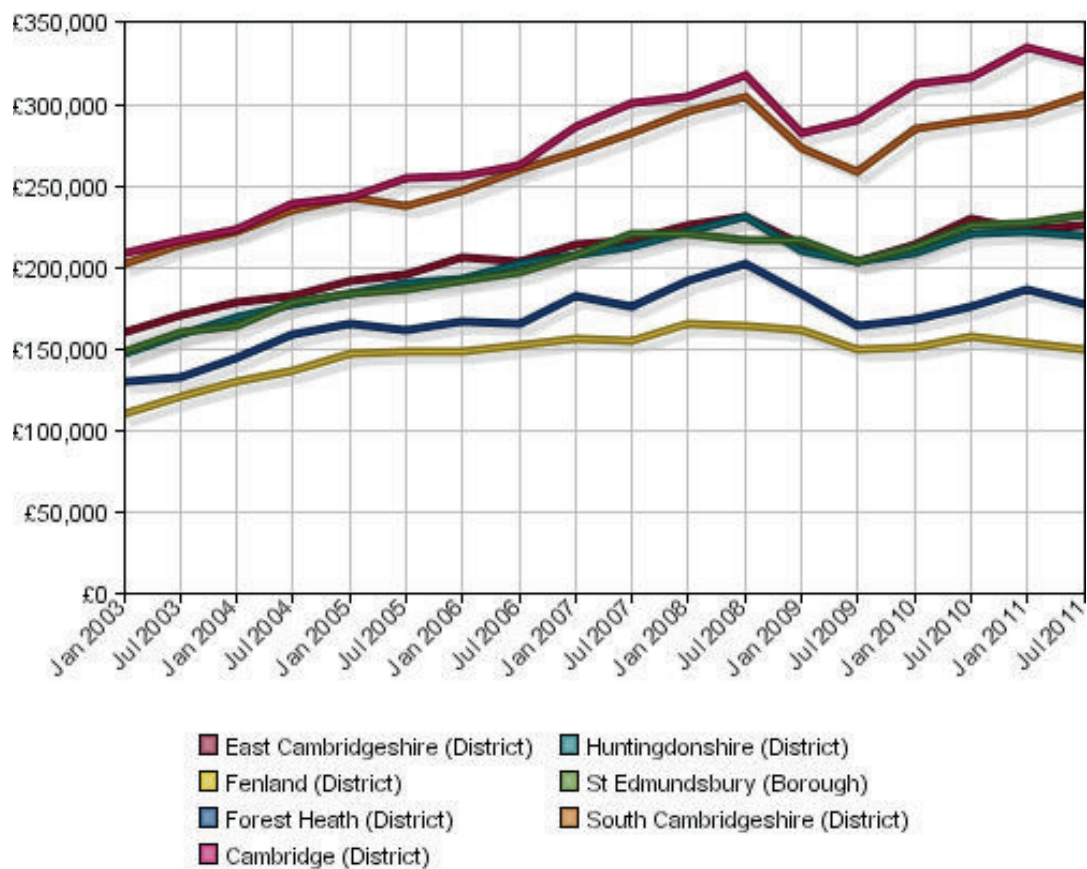
HCA Grant Funding

Cambridge City Council anticipates contracting with the Homes and Communities Agency (HCA) in April 2012 for the grant programme outlined in section 11, New Build. There is a risk that the contract may not be agreed and therefore grant funding would not be available for the 146 affordable housing dwellings programmed. If HCA grant was not available, and it

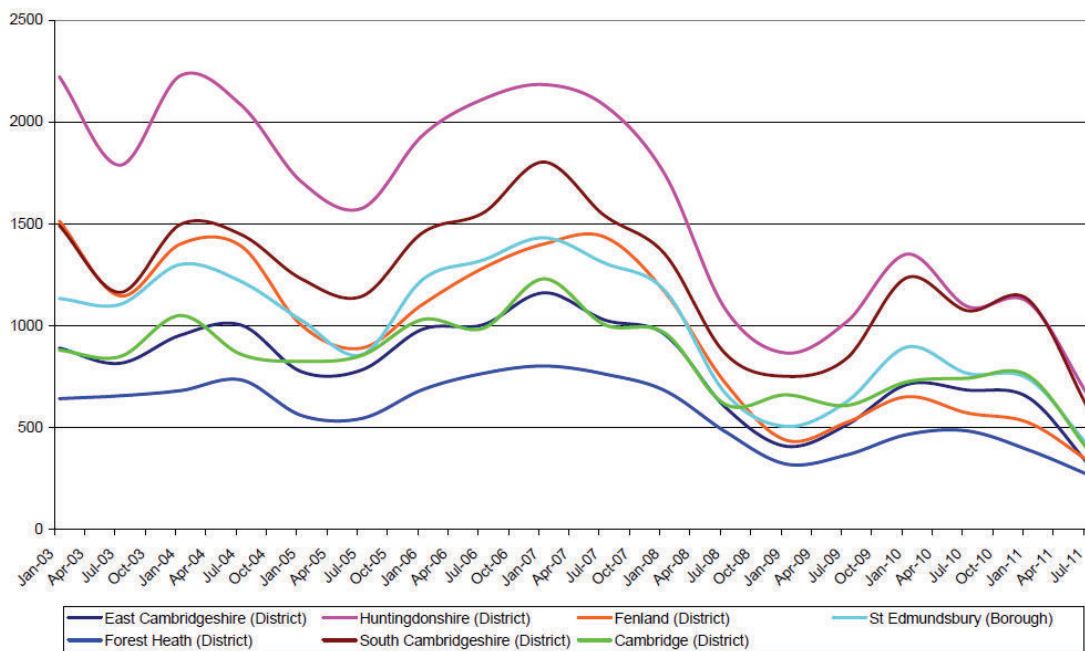
became unviable for the Council to deliver the affordable housing, the Council could run mini-competitions to select RSLs to provide the new affordable housing. A second area of risk in relation to HCA grant is that the grant will be paid on practical completion of the affordable housing, therefore if the site requires an extension of time to the programmed practical completion date there is the potential to lose the grant.

Property Prices

The graph below illustrates the average house prices, in the Cambridge housing sub-region, over the past eight years. The recession can clearly be seen in July 2008 where the average house price trend changes from a positive trend to a negative trend. The base of the trough of average house prices in Cambridge was in January 2009, since when there has been a steady increase in average house prices in Cambridge again.



Although the above graph shows that property prices have now exceeded the previous peak in July 2008, the graph below shows that the number of sales in Cambridge have decreased dramatically, showing a weakness in the Cambridge housing market. Currently there are approximately a third of the number of sales completing in Cambridge that were completing at the peak in January 2007.



This weakness in the Cambridge housing market will lead the Council to make more prudent assumptions on any market housing that will be assumed to cross subsidise the development of any affordable housing.

Legislative Changes

There are inherent risks in any business plan, strategy or financial model, that changes in legislation may alter the assumptions being made.

To address this, the Housing Revenue Account retains a minimum cash balance, the level of which is regularly reviewed, allowing the housing service to retain an element of flexibility to respond to changes in a timely manner.

As examples, legislative changes in tenant's rights may impact the level of turnover experienced in the housing stock, or proposed changes to the level of discounts that might apply to reinvigorate the right to buy process may impact the number of properties that the authority loses through this process.

Inflation Rates

The HRA Business Plan addresses the approach being taken to the volatility that is experienced across a range of inflation rates. The rate that is most likely to impact on the Asset Management Plan is that calculated by the Building Cost Information Service (BCIS), the all in tender price indices. This inflation rate is widely accepted as the industry norm for price increases in construction industry contracts. The index is particularly volatile, and therefore unpredictable, and is often attached to multi-million pound contracts, making the impact of any change considerable in financial terms.

Section 17

Financial Implications

Self-Financing

Long term financial planning for the Housing Revenue Account and consideration of the appropriate level of strategic investment in the housing stock has always been a priority for Cambridge City Council. The cessation of the existing HRA subsidy system, and the introduction of self-financing, provides a greater degree of control and flexibility for local authorities over the longer term.

For the first time in many years, consideration can be given to the potential to deliver new build affordable housing as a local authority directly, as opposed to facilitating the delivery of homes by providing land or grant funding to registered providers.

There is a clear need to balance the investment priorities of the organisation, ensuring that the existing asset base is sustained to a desirable, lettable standard and housing services are provided to the standard we and our residents expect, whilst also meeting the need for more affordable housing in the city.

Self-Financing Headroom

As part of the self-financing debt settlement, the government has arrived at a debt cap for each local authority. The debt cap represents the total debt which government considers the local authority can support, including an assumption that any existing new build schemes that have secured Homes & Communities Agency (HCA) grant funding incur the amount of borrowing highlighted as part of the bid process.

In respect of Cambridge City Council, the debt cap, the maximum that the HRA will be allowed to borrow, is higher than the sum that the authority is required to pay to the

government as part of the self-financing settlement. It is anticipated that the authority will have borrowing headroom of approximately £16,000,000.

To deliver the 146 units of new build affordable housing identified as part of the bid to the HCA in 2011, there is an anticipated need to borrow approximately £6.2 million.

Housing Capital Plan

Included at [Appendix F](#) is the proposed 5-year Housing Capital investment Plan, whilst the 30-year investment plan is detailed at [Appendix G](#).

There are a number of assumptions that have been made as part of the investment plan, including:

- An investment standard approach to maintaining decency in the housing stock, with proactive, planned replacement of building components as opposed to a decent homes minimum investment standard, where components are replaced when they fail. The latter would be expected to reduce costs by approximately 6%.
- A communal areas uplift of £75 per property per year, in line with external advice received from Savills, in addition to existing items of specified investment in communal areas, including lifts, door entry systems and communal area floor coverings.
- Inclusion of £300,000 per annum for 5 years, for investment in garages to allow the backlog of identified works to be undertaken should the review of garages support this level of investment. Return of the annual investment in garages to £100,000 per annum from year 6.
- Inclusion of £200,000 per annum for 5 years to allow planned acceleration of the asbestos removal programme, returning to £100,000 per annum from year 6 to tackle the ongoing work associated with lower categories of asbestos risk.
- Continuation of the previous level of investment of £878,000 in disabled adaptations, £21,000 for Tenants Incentive Schemes and £100,000 for fencing replacement on an ongoing basis.

- Retention of the £300,000 per annum for a further 9 years to meet anticipated costs of fire safety works and fire prevention measures across the housing stock.
- Retention of funding for paths, hard standings and recycling areas at the higher level of £250,000 for the next 3 years, reducing to £150,000 per annum from year 4 onwards.
- Continuation of funding for Cambridge Standard works at £200,000 per annum.
- Inclusion of funding for capital bid items from the 2012 / 13 budget process.

Section 18

Appendices

Appendix A

Miscellaneous Leases

Address Line 1	Organisation Type	Expiry date	Property Type	Beds	Built	Market Value	Current repair responsibilities - Council	Current repair responsibilities - Lessee
Leases								
99 Gwydir St	University	19.07.2012	Flat into bedsits	5	1899	£355,000	Main structure: Foundations, load bearing walls and roof Guttering & downpipes roof coverings external doors & window frames structural element of ceilings drains	internal: wall & wall coverings ceilings & ceiling coverings floors & floorboards door and door frames windows & window frames glass toilet facilities, water sanitary & heating appliances inc. boilers sewers & drains water gas pipes and mains within the property gardens fences painting
120 Mill Rd	Housing Society	25.03.2013	House	4	1899	£300,000	Main Structure	Internal
122 Mill Rd	Housing Society	25.03.2013	House	4	1899	£300,000	Main Structure	Internal

Address Line 1	Organisation Type	Expiry date	Property Type	Beds	Built	Market Value	Current repair responsibilities - Council	Current repair responsibilities - Lessee
28 Elizabeth Way	Charity	2016	House	3	1899	£250,000	Main Structure	Internal
93 Radegund Rd	Charity	30.04.2016	House	3	1945	£275,000	Main Structure	Internal
1 Ferry House	Charity	22.08.2016	House	2	1899	£380,000	Main Structure	Internal
4 Short St	Charity	08.06.2012	House	3	1899	£350,000	Main Structure	Internal
5 Short St	Charity	08.06.2012	House	3	1899	£325,000	Main Structure	Internal
6 Short St	Charity	08.06.2012	House	3	1899	£295,000	Main Structure	Internal
5 Lawrence Way	Chapel	22.08.2016	House	3	1962	£195,000	Main Structure	Internal
8 Castle Row	Charity	2016	Flat	1	1945	£155,000	Main Structure	Internal
9 Castle Row	Charity	2016	Flat	1	1945	£155,000	Main Structure	Internal

Tenancy Agreements

28 Fulbourn Old Drift	County Education Dept	NA	House	3	1978	£210,000	As secure tenancy	As secure tenancy
101 Paget Rd	County Education Dept	NA	House	3	1948	£200,000	As secure tenancy	As secure tenancy
194 Milton Rd	County Education Dept	NA	House	3	1927	£235,000	As secure tenancy	As secure tenancy
12 Mortlock Ave	County Education Dept	NA	House	3	1948	£215,000	As secure tenancy	As secure tenancy
61 Ross St	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
63 Ross St	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
65 Ross St	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
7 Tom Amey Court	Housing Society	NA	Flat	2	1945	£180,000	As secure tenancy	As secure tenancy
9 Tom Amey Court	Housing Society	NA	Flat	1	1945	£150,000	As secure tenancy	As secure tenancy
3 Bill Briggs Court	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
10 Bill Briggs Court	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
37 Lawrence Way	Community Group	NA	House	3	1962	£190,000	As secure tenancy	As secure tenancy

(Market valuations provided by Pocock & Shaw, based on external assessment and dependent on vacant possession – Dec 2011).

Appendix B

Repairs and Maintenance Improvement Plan

April 2011 – March 2013

Vision and Goals:

- **A modern repairs service that focuses on the following:**
 - **Customer First attitude**
 - **Provides Value for Money**
 - **Efficient methods of working**
 - **High level of stakeholder satisfaction**

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
Service Objective 1 – Improved Internal Communication. Honest and open communication with all staff, in particular site based staff, to ensure everyone is aware of what the service is trying to achieve, everyone understands the challenges the service is facing, and everyone is committed to implementing the required improvements.			
Monthly team meetings: To review the progress of the improvement plan To give all staff the opportunity to feedback information and offer suggestions Managers feedback to staff performance against current Key performance Indicators Customer Feedback openly discussed	September 2011	Service Objective 1 refers.	Operations Manager
Staff Training: Ensure all staff (including managers) receive regular training in customer care and conflict management	March 2013	All staff are trained. Accurate training records which indicate when refresher training	Service Manager

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
		is required.	
Ensure that improvement requirements are built into operational plans, team meetings, personal objectives and are discussed at one to one meetings and annual performance reviews.	March 2013	Departmental and individual plans are co-ordinated to reflect the improvement plan objectives – all documented.	Operations Manager
Ensure availability of operational team staff to answer queries from the Customer Service Centre up to 5pm. Currently this service is not readily available after 3.30pm.	Sept 2011	Increased satisfaction of Customer Service Centre Increased flexibility of staff with mobile and home working	Service Manager

Service Objective 2 – Improved Technology and Innovation

To increase the efficiency of the repairs and voids service. The current service is dependent upon manual processes and procedures that limit the ability to improve the service overall. There are also two software systems operational which were required do provide a client/contractor environment. This is no longer a relevant working environment due to the merge of Building Services and Technical Services

<p>Mobile Working will result in the following improvements to the service:</p> <ul style="list-style-type: none"> Ability to respond to customer enquiries immediately Enabling the optimum management of technicians and surveyors resulting in a more flexible service for both repairs and voids Reduce the duplication of tasks currently carried out manually Provide the potential to increase the number of appointment slots, leading to an increase in the percentage of jobs carried out with appointments Provide the ability to calculate productivity on an individual basis Customer Survey carried out on site via secure PDA Increase the automation of stock management down to individual van level Van stock level available individually Ensure that customer feedback is collated to the level of the individual technician, and technicians are informed of customer comments (positive and negative) on a monthly basis 	June 2012	<ul style="list-style-type: none"> Automated process for the management of appointments Flexible allocation of technicians and surveyors to individual jobs 1 hour time slots Increased level of live status data for individual jobs (ie on the way, arrived, completed etc) Automated process for capturing live status data. Productivity level of £75k per directly employed operative (ie excludes the value of sub contracted work) Increased number of satisfaction surveys returned. Increased job satisfaction Improved customer satisfaction. Training plan. 	Operations Manager
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Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
		Completed Action plan	
<p>Implement a single integrated software system that meets the needs of both the asset management and operational sections of the service. This will result in the following improvements to the service:</p> <p>Eliminate duplication of job numbers to individual tasks</p> <p>Eliminate the need to reconcile two systems on a job number basis</p> <p>Eliminate the need to reconcile two systems of an invoice value basis</p> <p>Eliminate the need to reconcile two systems on an address level basis</p> <p>Eliminate the potential for jobs to fail to cross over between the two systems</p> <p>Eliminate the potential for failures in other areas of the interface (eg status update information, financial completion etc)</p> <p>Eliminate duplication of tasks in relation to booking of appointments</p>	June 2012	<p>A single point of reference for all data relating to the job</p> <p>Reduction in the need for training on multiple software</p> <p>Increased volume of payments on a monthly basis</p> <p>Completed action plan</p>	Operations Manager
<p>Investigate the potential for the implementation of Fault Diagnostic Software at the Customer Service Centre. This will result in a more accurate description of the repair to the operational team. The benefits are:</p> <p>Standardise the terminology used in the description of the repair.</p> <p>Reduce multiple visits to customers homes by operatives</p> <p>Accurate coding of priority of the job</p> <p>Accurate allocation of job to the correct trade</p> <p>Reduce the number of pre-inspection by surveyors</p>	January 2012	<p>Increased number of jobs repaired on the first visit – target 85%</p> <p>Reduced number of telephone calls relating to the same repair</p> <p>Reduced level of recalls</p> <p>Completed action plan</p>	Operations Manager
Service Objective 3 – Improved Service Delivery			
<p>Investigate the potential for the implementation of Fault Diagnostic Software at the Customer Service Centre. This will result in a more accurate description of the repair to the operational team. The benefits are:</p> <p>Standardise the terminology used in the description of the repair.</p> <p>Reduce multiple visits to customers homes by operatives</p> <p>Accurate coding of priority of the job</p> <p>Accurate allocation of job to the correct trade</p> <p>Reduce the number of pre-inspection by surveyors</p>	January 2012	<p>Increased number of jobs repaired on the first visit – target 85%</p> <p>Reduced number of telephone calls relating to the same repair</p> <p>Reduced level of recalls</p> <p>Completed action plan</p>	Operations Manager
<p>Increase the percentage of responsive repairs completed within agreed target times:</p>	June 2012	<p>Emergency - New Target of 100% being achieved</p> <p>Urgent: - new target of 98% being achieved</p> <p>Routine - New Target of</p>	Service Manager

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
		99% being achieved.	
Decrease the number of days taken to carry out the construction element of voids (calendar days)	September 2011	New Target of 10 days being achieved.	Service Manager
Quality of works in void properties: Currently this is measured by the number of calls from tenants requesting repairs within 28 days of occupation of the property. This is difficult to capture. In future, quality will be measured by tenant inspector's final inspection of the work.	June 2011	No current target New Target 98% Increased number of tenant inspectors	Service Manager
Reduce number of occasions where the original target date is extended (currently between 10-15% per month). The benefit of this will be to accurately capture performance. The criteria for extending the target date will be: On emergency jobs - where a temporary repair was all that could be achieved during the visit On urgent jobs - where a temporary repair was all that could be achieved during the visit due to materials availability or additional trades required. Routine repairs: If the customer requests an appointment which is outside the priority target deadline When the materials required are not usually held in stores and the delivery is outside the priority target deadline	July 2011	Increased percentage of jobs fixed within target. Increased customer satisfaction. Decreased number of extended jobs.	Service Manager
Increase the scope of works carried out with an appointment: Currently urgent jobs are not allocated an appointment. Proposal is to offer an appointment for all urgent jobs	March 2013	Increased number of jobs carried out with an appointment, current target 70% New Target 75% which will be subject to further review post 2013	Service Manager
Increase the number of appointment slots available. At present customers who wish to make an appointment for the work may have to wait several weeks until a free appointment slot is available.	December 2011	Increased volume of works carried out by appointment Decreased waiting time for Customers who make an appointment	Service Manager
Prioritise cancelled / missed appointments Where an appointment has been missed by the Repairs and Maintenance service the replacement appointment should be prioritised in order to reduce the further waiting time	September 2011	Repairs and maintenance team identify new appointment slot and agree with customer, then update Orchard to show new details Reduction in waiting time for customers	Service Manager
Operating Hours Undertake a tenant survey in order to consider: Offering appointments for Saturday mornings between 9am and 12 Noon To extend the daily appointment service on a Tuesday and a Thursday between 4pm and 6pm.	September 2011	Success will be measured by the update of appointments by customers. Analysis information on	Service Manager

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
		tenant survey.	
Confirmation of Repair appointment. Investigate the potential to confirm a customer's appointment by e mail or text instead of the paper confirmation that is currently sent in the post.	September 2011	Reduction in postage costs Reduction in paper costs Increased efficiency of staff in the CSC by removing the need to fill envelopes, frank mail etc	Service Manager
Customer Satisfaction Surveys The ultimate goal is to carry out the surveys on site via a PDA but this requires the mobile working facility. It is proposed to introduce a temporary improvement pending the introduction of the mobile facility, which is for the Customer Service Centre to carry out the satisfaction survey by phone, entering the responses directly into Orchard.	September 2011	Increase in the number of responses Reduction in postage costs Reduction in paper costs Increase the efficiency of staff in the CSC by removing the need to fill envelopes, frank mail etc	Service Manager
First time Fix Ensure that the quality of all urgent, routine and void jobs is such that the customer does not need to report the same job more than once.	September 2011	Question on Customer Satisfaction Survey	Service Manager
Quality of survey Ensure that surveys accurately identify the work required, and that this information is conveyed to both the customer and the Customer Service Centre.	April 2011	Question on Customer Satisfaction Survey Analysis from surveys	Principal Surveyor
Void administrative procedures To improve the efficiency of void processes to reduce duplication of effort and to streamline the administration of the data input.	June 2011	Voids data is entered into the relevant software systems more quickly and efficiently	Service Manager

Service Objective 4 – Resident Involvement

Ensure that the level of resident involvement in the repairs and void service is not reduced when the review of Tenant Inspection duties are finalised.	September 2011	Tenant Inspection input is maintained/increased.	Principal Surveyor
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Service Objective 5 – Improve Interdepartmental working practises

Supporting Tenancy Management To investigate methods of identifying properties that will require significant expenditure at the point of the void arising due to tenants mistreating their homes e.g. to use the Gas	December 2011	Improved tenancy management Long-term reduction in void costs due to	Principal Surveyor
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Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
Maintenance contractor to identify abused properties and report back to City Homes.		residents improved behaviour.	
Service Objective 6 - Cost of Service			
Investigate methods of reducing overall costs of responsive repairs and voids by reviewing the following: Productivity levels per employee Review materials through the supply chain Average cost of a day to day repair. Average cost of a void repair.	December 2012	Productivity achieved at £75k per technician Potentially reduce material costs in voids and repairs	Operations Manager

Appendix C

Estates and Facilities Operational Plan

April 2011 onwards

Update on Changes to Services or Service Structure

The service is being restructured to reflect a merger of Client and Contracting Functions that will result in some efficiencies being realised and significant changes in role for a number of personnel.

Key Objectives for 2011/12

The key objectives for this service are set out in the Service Plan below include the following primary areas:

- Maintaining and developing internal and external relationships
- External working relationships
- Value for Money
- Performance monitoring
- Asset Management and Finance
- Information Management
- Consultations and Communication

Longer Term Objectives – 2011/12 to 2013/14

Deliver a two year repairs and improvement programme which demonstrates relative and absolute improvement in key areas including customer satisfaction and performance indicators.

Our Vision:

A City which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities

A City in the forefront of low carbon living and minimising its impact on the environment from waste and pollution

A City whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
SERVICE OBJECTIVE 1: RELATIONSHIP WITH CUSTOMER SERVICE CENTRE			
<p>a). Continue to develop relationship with the CSC with ultimate aim to provide a flexible service to our customers with the ability to adapt to the changing environment by identifying actions/outcomes.</p> <p>Actions: Regular meetings with CSC to be involved in implementing actions from BPR exercise.</p>	Monthly	The restructure of the Repairs & Maintenance department could pose a risk should the amount of resources be reduced or not allocated in the right areas.	John Horwood
<p>b) Ensure CSC understand changes within the Improvement Plan for Repairs and Voids e.g, opti-time and the impact they may have on their procedures and processes.</p> <p>Actions: Regular meetings with CSC CSC to be involved in implementing actions from BPR exercise.</p>	Monthly Quarter 2	As above.	John Horwood
SERVICE OBJECTIVE 2: RELATIONSHIP WITH CITY HOMES			
<p>a) Repairs and Maintenance to continue to work closely with Housing Management to meet customer needs.</p> <p>Actions: Attendance at HMT Attendance at HMM Involvement in HRP Group</p>	Monthly Monthly Monthly	City Homes and Repairs & Maintenance have been put in different directorates and with the remit of Repairs & Maintenance being widened to include maintenance of other stock there is a danger of relationships becoming more distant.	John Horwood
<p>b) Reduce void (works) time and minimise rent loss</p> <p>Actions: Standardisation of City Wide Process to take place.</p>	Quarter 2	Negative media coverage of the Edgcombe flats, pro-active asbestos removal	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
		programme. Tenant's concerns over this programme.	
SERVICE OBJECTIVE 3 : EXTERNAL WORKING RELATIONSHIPS			
a) Investigate what contracts are in place throughout the Council to look at what works could be taken over by Repairs & maintenance. Actions: Meet with Property Services Investigation what contracts are in place Council wide and identify works for Repairs & Maintenance	Quarter 2 Quarter 2	Other departments in the Council reluctant to engage.	Sarah Foreman
b) Investigate ways of undertaking an annual property review by using current partnering contracts e.g., gas to enable us monitor any abuse of council properties and also issuing of information such as asbestos.	Quarter 3		Chris Brown
c) Explore possibilities to make better use of new framework relationships in order to enhance management of asbestos (NWCCA).	Quarter 2	NWCCA framework unsuitable. Limited frameworks available. Legal unhappy with Fusion 21 Frameworks.	Jenny Gibson
SERVICE OBJECTIVE 4: VALUE FOR MONEY - CONTINUE TO DELIVER VFM AND EFFICIENCIES THROUGH EFFECTIVE PROCUREMENT OF SERVICES AND CONTINUOUS IMPROVEMENT AND CHALLENGE STANDARDS AND QUALITY			
a) Successful implementation of the Planned Maintenance Works contract for primary and secondary contractors to meet all council objectives and in accordance with constitution. Action: Regular review and update of the implementation action plan. Apollo to obtain "admitted body status" Award contracts to Apollo and Kier Commence programme of work	Quarter 1 April 2011 May 2011 June 2011	Delay to the agreement of the TUPE list leading to delay to "admitted body status" means the contract cannot be awarded and CCC have to continue to deliver works in-house. Failure to deal with perceived poor public relations The ability of Apollo to engage positively with TUPE'd CCC staff, getting them to embrace the culture change in their working environment, to ensure	Will Barfield

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
		there is a smooth transition of the affected workforce.	
<p>b) Increase Leaseholder satisfaction on cyclical maintenance works that are charged for through the Section 20 process.</p> <p>Actions: Continue post inspections Devise and carry out more accurate pre-inspections</p>	Ongoing Quarter 1	Poor quality survey information, leading to inaccurate estimated costs to leaseholders. Delivery on-site of sub-standard works and inaccurate charges made to Leaseholders.	John Horwood
<p>c) Successful delivery of the Disabled Adaptations works programme, ensuring that programmed works are completed on time, on budget and to a high standard. Disruption to tenants to be kept to a minimum and they need to be fully informed all the way through the process.</p> <p>Actions: New administrative procedures to be put in place: Review tenant correspondence Review processed for new planned contractor</p>	31 Mar 2012	<p>Outcome of Housing Self Finance yet unknown.</p> <p>High dependency on the OT Service – reduction in OT waiting list currently has an impact on the volume of referrals received.</p> <p>A risk of high demand exceeding available resources.</p>	Lucy Gordon
d) Successful completion of Brandon Court refurbishment project.	Quarter 4		Will Barfield
e) Implement supply chain initiative to review and improve VFM in maintenance supply chains.	Oct 2012		Will Barfield
New planned maintenance contract supply chain to be appointed in line with contract procedures	June 2011		
Review of "Top Twenty" materials / suppliers – to include review of specification and costs	August 2011		
<p>f) Establish new strategic housing maintenance partnership of maintenance partners and key stakeholders to review all housing maintenance activities.</p> <p>Actions: All existing partnerships in the repairs and maintenance to be brought together and branded Launch event to be arranged.</p>	Quarter 1 Quarter 2		Will Barfield
SERVICE OBJECTIVE 5 : PERFORMANCE MONITORING			
<p>a) Keeping pace with changing requirements of regulators / inspectors, especially around role of residents scrutinising services.</p> <p>Actions:</p>		<p>Ability to be able to source enough volunteers</p> <p>Sufficient internal</p>	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
Resident Inspectors to undertake quality inspections on voids. Regular Resident inspector meetings Check regulations post TSA. Deliver local services standards Work closely with HRP providing support, guidance and information – ascertain a copy of their programme of what is being looked at.	Quarter 1 Ongoing Quarter 1 Ongoing Quarter 1	resources.	
c) Ensure performance information is collated and circulated on a regular basis. Actions: Ensure individuals are aware of their roles and responsibility in relation to performance information. Resolve current IT problems to ensure accurate figures are generated.	Quarter 1	The ability to supply adequate IT in order to generate relevant information. Two systems currently running increasing the risk for error.	John Horwood
d) Review planned maintenance performance via KPI monitoring to ensure service standards and customer expectations are met. There will be revised set of KPIs for repairs and voids as part of 7B. Productivity will be monitored as part of 7B Actions: New set of KPI dashboards to be produced.	Quarter 1		Martin Donnelly
SERVICE OBJECTIVE 6 : ASSET MANAGEMENT PLAN & FINANCE			
a) Independent Stock Condition Validation to be undertaken Actions: Arrangements to be made with CIH to carry out the validation.	Quarter 1	Inaccurate stock condition information, could lead to problems in financially planning the works over the next 30 years. Need to check information we currently have is correct and verified.	Martin Donnelly
b) Improvement plan to be undertaken for voids and repairs. Review to take place after 2 years, to high light improvements and the success of the plan. Actions: Plan TO BE APPROVED by the partnering core group and HMT Top 3 Priority Areas. Improved Internal Communication: Honest and open communication with all staff, in particular site based staff, to ensure everyone is aware of what the service is trying to achieve, everyone understands the challenges the service is facing, and everyone is committed to implementing the required improvements.	Quarter 1	If the service does not meet the required improvements, the current policy is to consider outsourcing it.	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
<p>Improved Technology and Innovation:</p> <p>To increase the efficiency of the repairs and voids service. The current service is dependent upon manual processes and procedures that limit the ability to improve the service overall. There are also two software systems operational which were required to provide a client/contractor environment. This is no longer a relevant working environment due to the merge of Building Services and Technical Services.</p> <p>Improved Service Delivery</p> <p>Progress report to be produced for September Committee</p>			
<p>c) Fire risk assessments of communal areas – financial impact- Commencement of rolling 3 year programme to formally review all FRA's and price works by incoming new partner.</p> <p>Actions: Establish 3 year review cycle for carrying out risk assessments Identify resources for carrying out surveys.</p>	<p>Quarter 2 Quarter 2</p>	<p>Failure to procure new Consultant Additional works identified on subsequent FRA's. Fatality within a property prior to works being completed. Lack of resources. Lack of understanding by staff.</p>	<p>Jenny Gibson</p>
<p>d) Ditchburn Place refurbishment – develop feasibility and scheme design</p>	<p>TBC</p>		<p>Will Barfield</p>
<p>e) Revise Asset Management Plan</p> <p>Actions: CIH to be approached about doing this.</p>	<p>Quarter 2</p>		<p>Bob Hadfield</p>
<p>f) Complete all external HHSRS surveys.</p>	<p>Quarter 3</p>	<p>This will reduce the possibility of any legal action being taken against CCC, for any injuries sustained by the public while using a public area with a hazard; for e.g. a trip hazard, that has not been addressed. Failure to complete these external HHSRS surveys and addressing any Category 1 & 2 hazards identified, could result in compensation claims and negative publicity for the Council.</p>	<p>Martin Donnelly</p>
<p>g) Review of asbestos and Horizon scanning for changes in legislation.</p>		<p>Failure to manage recent legislative changes incorporated</p>	<p>Jenny Gibson</p>

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
Embed new Consultant. Review Asbestos Management Plans. Review databases with newly appointed Consultants Re-inspection of 1/6 of Communal Areas Review of pro-active removal works.	Quarter 2 Quarter 4 Quarter 4 Quarter 3 Quarter 4	within the Planned works contract. New Regs – Artex????? Failure to appoint Consultant. Apollo failure to appoint a competent Contractor.	
h) Flood management - Liaise with the Environment Agency in order to gain a full understanding of our responsibility. Survey effected areas/properties and generate a risk register. Implement any legislative remedial actions following the survey. Actions: Identify properties at risk Agree where information will be recorded	Quarter 4	There could be a negative impact on budgets in the future, if we suddenly find we have a lot of previously unknown flood-defence works to undertake at short notice. Cambridge residents will feel physical impact of any properties flood damaged. Could lead to claims for compensation if CCC is found liable.	John Horwood
i) To carry out EPC (Energy Performance Certificates) surveys in our stock with our own trained staff, at the change of tenancies or every 10 years. Actions: Look at options for additional staff to be trained.	Quarter 2	An EPC needs to be made available to prospective new tenants when a council property is being let. This is in order to meet Environmental Performance of Buildings legislation and we run the risk of Trading Standards enforcement action (including fines) if we do not achieve this. It's important that we have accurate and up to date energy information on our stock, as energy efficiency performance of buildings is becoming increasingly important. Not resourcing the surveys in-house will be more expensive, not good VFM and not a good use of our	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
		surveying staff.	
<p>j) Renewable Energy programmes – Large-scale renewable energy rollout to take advantage of government incentive schemes (Feed in Tariff, Renewable Heat Incentive, etc.) and to properly investigate the next options after gas for space/water heating options in all council owned property.</p> <p>Actions: Strategic paper to be written and linked in with the Asset Management Plan.</p>	Quarter 2	<p>Not investing in renewable energy installations will mean that CCC miss out on potential income generating technologies whilst also not utilising one method of tackling fuel poverty.</p> <p>CCC also need to research potential options to replace gas fuelled heating. Failure to do so will limit future options and will increase our risk to dwindling gas supplies.</p>	Sam Griggs
<p>k) Stores Review</p> <p>Assess impact of mobile working solution(s) on material supply processes. Ascertain service users and associated materials/supplies volume. Ascertain material volume and movement via stores for day to day and voids maintenance activity Examine current local market service offering for given volumes of material supply from known materials suppliers. Formulate recommendations for consideration by Members.</p>	Quarter 4	<p>Lack of materials Cap off supply route for periodic activity Reduce capacity for authority to lever in financial advantage for purchasing in other areas Need to maintain continuity of supply Supplier failure</p>	Bob Hadfield
<p>l) HRA Self-financing -Review and implement outcomes/ proposed changes as a result of government consultation.</p> <p>Actions: Liaise with Julia Hovells regarding Government return date.</p>	Quarter 1	Capital and Revenue budgets are reduced resulting in the inability to finance all the works required.	Hilary Newby
m) Review medium Term Capital Plan following validation of stock condition information and estimated future spending requirements.	Quarter 1	Capital budget allocations do not meet cost of works required	Hilary Newby
n) Full review of procedures and methods of recording and monitoring financial information.	Quarter 4	Annual capital programmes overspend or underspend against their budget allocation.	Hilary Newby
SERVICE OBJECTIVE 8: INFORMATION STRATEGY			
<p>a) Investigate potential to take advantage of mobile working e.g. Opti-time across the service, weighing up benefits derived against cost of implementation.</p> <p>Actions: Identify actions necessary for rolling this out.</p>	Quarter 1	Being able to secure the necessary funding will be vital in order to roll this out. Long -term efficiencies can be demonstrated should	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
		we be able to implement.	
b) Ensure staff have received training following the implementation of the upgrade to Orchard	Quarter 3		Rania Marjeh
c) Review of Codeman Savills already commissioned to carry out validation Actions: Send raw data to Savills Send survey formats to Savills Send pricing tables to Savills Carry out recommendation by Savills	Quarter 1	Need to ensure the core database is accurate and suitable for our long term needs. Software is to be changed by current supplier (SAM)	Rania Marjeh
d) Investigate alternatives to Open Contractor software in order to eliminate duplication of procedures and processes within the Repairs and Maintenance team. Actions: Paper to go to asset management group Budget to be identified/bid to be submitted Review of data stocks system	Quarter 2	The use of two operational software systems requires intensive monitoring to ensure both contain the same information. Currently causing issues regarding receipt of job requests, duplicate jobs, reconciliation of completion information, reconciliation of financial information	Sarah Foreman
e) Review of Data Stocks system	Quarter 3	Part of review of the provision of on site stores / alternatives to Open Contractor	Sarah Foreman
f) Review of NHER housing stock energy database	Quarter 2		Sam Griggs
g) Update Web pages, including investigating the potential for residents to report repairs on-line utilising a repair finder type application	Quarter 2		Rania Marjeh
h) Investigate the potential benefit of a full GIS system	31 Mar 2014		Rania Marjeh

SERVICE OBJECTIVE 9: CONSULTATION AND COMMUNICATION

a) Complete staff transfer to appointed planned work contractor.	Quarter 1	Apollo contract is late starting, reducing the time to deliver all works identified in Year 1. This could result in slippage, or rushed works with the quality being affected.	Bob Hadfield
b) Implementation of Repairs & Maintenance Restructure Actions: Ensure staff within the teams are kept up to date with	Quarter 1	Can affect staff morale negatively, the longer that there is uncertainty on the layout of the	Bob Hadfield

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
<p>organisational changes and that communication about changes are delivered in a positive manner at all times. Prepare staff and service users for any staff changes as early as possible giving honest reasons for change and positive messages at all times.</p>		<p>new staff structure.</p>	
<p>c) Monitor impact of key services on diverse communities including:</p> <p>Using customer insight in formulating service delivery plans. Assessing satisfaction by diversity grouping Reviewing ethnic make up of work groups as part of core group meetings Ensuring diversity training is up to date Ensure EqiA's are carried out when changes to services are made to highlight any adverse impact on groups of customers and/or staff. Contribute to corporate equalities action plan by identifying and communicating highlighted issues.</p>	<p>Quarter 1</p>		<p>Sarah Foreman</p>
<p>d) Ensure tenants are consulted throughout any change process, be honest with them about what is realistic in the given circumstances /constraints in which we may find ourselves delivering services in the future.</p> <p>Actions: Understand what implications of self-financing means to tenants.</p>	<p>Quarter 1</p>		<p>Bob Hadfield</p>

Appendix D

Asset Management Action Plan

Ref	Action	2012/13	2013/14	2014/15
	A full review of all of the communal facilities in the Council's sheltered housing stock will identify the longer-term investment need and allow detailed timetabling of this activity			✓
	New procurement strategy 2012-2017	✓		
	Review temporary housing investment to reduce void and repairs costs.		✓	
	Review miscellaneous leases and repairing obligations facing the Council			✓
	Review garage investment and implement an improvement programme	✓		
	Survey all garage blocks and add to stock condition data base	✓		
	Review planned works requirements for commercial property		✓	
	Consider options for building of historic or special interest			✓
	Assess the impact and opportunities of the Green Deal	✓		
	Assess the impact of Smart Metering from 2014		✓	
	Carry out a value for money review for gas boiler installations	✓		
	Set a programmes for Cambridge Standard works		✓	
	Survey and record location of surface water gullies			✓
	Carry out performance review of the Council's asset management processes and practices		✓	
	Survey / inspect external render systems to establish maintenance requirements	✓		
	Complete surveys of communal areas including boundaries, drying areas, store sheds, cycle stores, signage		✓	
	Carry out a review of the stock condition database	✓		
	Investigate the implementation of Geographic Information System		✓	
	Establish a maintenance programme for communal lighting	✓		
	Investigate the transfer of some amenity pathways to the County Council		✓	
	Review future requirements for un-modernized sheltered housing schemes.		✓	

Appendix E

3-Year Rolling Affordable Housing Investigation Programme *

	Ward	Location	AH Units Loss	AH Units Gross	Comment
2011/12					
99 Kendal Way	East Chesterton	North	0	1	Redevelop: Open space may be suitable for one dwelling.
Latimer Close	Abbey	South	20	20	Redevelop: Site consists of twenty single 1-bed units, of which four are privately owned flats. Architects have drawn up a scheme of twenty dwellings comprising a mix of houses and flats.
51-73 Barnwell Road	Abbey	South	24	17	Redevelop: Site consists of 24 single 1-bed units, of which two are privately owned. With a mix of houses and flats this site could accommodate seventeen dwellings.
161-169 Lichfield Road	Coleridge	South	0	20	Site adjacent to Lichfield scheme.
Property Services Wadloes Road	Abbey	South	0	12	Redevelopment of a commercial unit.
St Matthews Street Garages	Petersfield	South	0	5 - 10	<i>Brought forward to allow thorough investigation of site and conclusive analysis re redevelopment or investment.</i>
98-144 Campkin Road	Arbury	North	24	36	Substandard units. Councillor recommendation. Current inefficient use of land. Possible inclusion of Campkin Court (CHS).
Water Lane	East Chesterton	North	24	16	Redevelopment of older style older persons accommodation.
Shelford Road	Trumpington	South	0	7	Land audit identified. Scrubland between 166 and 174 Shelford Road. Non tenanted.
Anstey Way	Trumpington	South	0	2	Ex-drying area. Councillor contact and City Homes recommendation.
Aylesborough Close	Arbury	North	16	24	Redevelopment – Also 4 private units. Potential to increase this scheme further

	Ward	Location	AH Units Loss	AH Units Gross	Comment
2012/13					
51-53 Argyle Street	Romsey	South	0	2	Currently a garage / workshop.
Atkins Close	Kings Hedges	North	0	6	Currently a garage site
Cadwin Fields	Kings Hedges	North	0	2	Currently a garage site
Cameron Road / Nuns Way	Kings Hedges	North	0	4 to 8	Currently a garage site
Gunhild Way	Queen Ediths	South	0	2	Currently a garage site
1-20 & 81-91 Hawkins Road Garages	Kings Hedges	North	0	14	Currently a garage site
641-643 Newmarket Road	Abbey	South	12 AH and Private	24	Potential to assemble with Church land to the east.
Ventress Close	Queen Ediths	South	2	6	vacant land either side of 9/10 – look at including exist units
2013/14					
301-326 Hawkins Road Garages	Kings Hedges	North	0	4	Currently a garage site
Markham Close Garages	Kings Hedges	North	0	3	Currently a garage site
Northfield Avenue Garages	Kings Hedges	North	0	2	Currently a garage site
Uphall Road Garages	Romsey	North	0	2	Currently a garage site
Wiles Close Garages	Kings Hedges	North	0	3 to 6	Currently a garage site

*As approved by Community Services Scrutiny Committee in 2011.

Appendix F

5-Year Housing Capital Investment Plan

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	2,760	37	0	0	0	0
Disabled Facilities Grants	582	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195	195
Long Term Vacants	20	20	20	20	20	20
Total General Fund Housing Capital Spend	3,557	802	765	765	765	765
HRA Capital Spend						
Decent Homes						
Kitchens	665	691	255	618	598	292
Bathrooms	120	196	128	522	525	119
Boilers / Central Heating	1,553	2,024	1,316	618	2,450	1,688
Insulation / Energy Efficiency	58	100	100	100	100	100
External Doors	378	16	28	129	108	63
PVCU Windows	130	3	339	1,002	1,350	912
Wall Structure	0	15	36	621	63	114
Wall Finishes	479	284	196	319	230	115
Wall Insulation	0	100	100	100	100	100
External Painting	0	0	0	0	0	0
Roof Structure	0	307	300	800	300	322
Roof Covering	934	1,130	544	215	210	274
Chimneys	0	51	39	12	2	1
Electrical / Wiring	304	279	83	91	181	317

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Smoke Detectors	0	3	5	19	109	9
Sulphate Attacks	125	102	102	102	102	102
Major Voids	59	56	53	51	48	53
HHSRS Contingency	140	150	150	100	100	100
Other Health and Safety Works (Balconies)	464	50	50	50	50	50
Other External Works	0	0	0	3	5	0
Rising Damp / Penetrating Damp	20	0	0	0	0	0
Professional Fees	377	377	377	377	377	377
External Professional Fees	0	19	19	19	19	19
Decent Homes Backlog	0	2,131	3,907	2,131	1,065	3,019
Planned Maintenance Contractor Overheads	0	970	975	960	971	978
Total Decent Homes	5,806	9,054	9,102	8,959	9,063	9,124
Other Spend on HRA Stock						
Garages	66	300	300	300	300	300
Asbestos Contingency	200	200	200	200	200	200
Disabled	915	878	878	878	878	878
TIS Schemes	25	21	21	21	21	21
Communal Areas Uplift	0	546	546	546	546	546
Fire Prevention / Fire Safety Works	1,424	300	300	300	300	300
Hardsurfacing on HRA Land - Health and Safety Works	270	150	250	250	150	150
Hardsurfacing on HRA Land - Recycling	199	100	0	0	0	0
Communal Areas Floor Coverings	207	100	100	0	0	0
Professional Fees	104	104	104	104	104	104
Lifts and Door Entry Systems	13	13	13	13	13	13
Fencing	116	100	100	100	100	100
Cemetery Lodge	0	50	0	0	0	0
Hanover / Princess Laundry	3	0	0	0	0	0
East Road Garages - Lighting Controls	0	4	0	0	0	0
TV Aerials	8	0	0	0	0	0

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Planned Maintenance Contractor Overheads	0	344	337	325	313	313
Total Other Spend on HRA stock	3,550	3,210	3,149	3,037	2,925	2,925
HRA New Build / Re-Development						
Teversham Drift	115	0	0	0	0	0
Cockerell Road	14	0	0	0	0	0
Harris Road	5	0	0	0	0	0
Church End	319	0	0	0	0	0
Roman Court	165	578	591	41	0	0
Seymour Court	1,153	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	0	4,510	10,761	2,859	0	0
Clay Farm	0	0	0	10,046	3,617	0
Total HRA New Build	1,771	5,088	11,352	12,946	3,617	0
Cambridge Standard Works						
Cambridge Standard Works	455	200	200	200	200	200
Total Cambridge Standard Works	455	200	200	200	200	200
Sheltered Housing Capital Investment						
Emergency Alarm Service	96	0	0	0	0	0
Talbot House	5	0	0	0	0	0
Ditchburn Place	634	3,224	0	0	0	0
Brandon Court	3,045	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,780	3,224	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	34	227	0	0	0	0
Low Cost Home Ownership	300	300	300	300	300	300
Right of First Refusal Buy Back	0	330	330	330	0	0

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Commercial Property	68	30	30	30	30	30
Total Other HRA Capital Spend	402	887	660	660	330	330
Total HRA Capital Spend	15,764	21,663	24,463	25,802	16,135	12,579
Total Housing Capital Spend at Base Year Prices	19,321	22,465	25,228	26,567	16,900	13,344
Inflation Allowance for Future Years	0	0	835	1,709	2,010	2,343
Total Inflated Housing Capital Spend	19,321	22,465	26,063	28,276	18,910	15,687
Housing Capital Resources						
Right to Buy Receipts	-344	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	-5,119	0	0	0	0	0
Major Repairs Reserve	0	-7,673	-7,398	-7,529	-7,702	-7,881
Direct Revenue Financing of Capital	-2,972	-9,333	-8,778	-9,918	-8,183	-6,741
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-349	-3,507	-6,596	-1,826	-2,260	-300
Disabled Facilities Grant	-262	-262	-262	-262	-262	-262
Developer's Contributions (Affordable Housing)	-331	0	0	0	0	0
Prudential Borrowing	-283	0	-2,526	-8,238	0	0
Total Housing Capital Resources	-9,660	-20,775	-25,560	-27,773	-18,407	-15,184
Net (Surplus) / Deficit of Resources	9,661	1,690	503	503	503	503
Capital Balances b/f	-13,794	-5,036	-3,346	-2,843	-2,340	-1,837
Use of / (Contribution to) Balances in Year	9,661	1,690	503	503	503	503
Use of balance previously ear-marked for affordable housing	-903	0	0	0	0	0
Capital Balances c/f	-5,036	-3,346	-2,843	-2,340	-1,837	-1,334

Appendix G

30-Year Housing Capital Investment Plan

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	37	0	0	0	0	0
Disabled Facilities Grants	2,750	2,174	1,310	1,310	1,310	1,310
Private Sector Housing Grants and Loans	975	430	0	0	0	0
Long Term Vacants	100	40	0	0	0	0
Total General Fund Housing Capital Spend	3,862	2,644	1,310	1,310	1,310	1,310
HRA Capital Spend						
Decent Homes						
Kitchens	2,454	2,911	6,025	10,458	2,062	2,911
Bathrooms	1,490	1,952	756	1,050	1,619	2,736
Boilers / Central Heating	8,096	13,916	13,698	11,324	13,765	9,206
Insulation / Energy Efficiency	500	500	500	500	500	500
External Doors	344	436	331	766	462	582
PVCU Windows	3,606	6,031	4,020	7,890	388	3,585
Wall Structure	849	639	189	1,797	2,265	1,998
Wall Finishes	1,144	1,438	1,257	1,302	1,164	804
Wall Insulation	500	500	0	0	0	0
External Painting	0	0	0	0	0	0
Roof Structure	2,029	1,514	7	7	0	0
Roof Covering	2,373	3,354	4,451	3,204	2,020	6,370
Chimneys	105	2	5	7	60	127

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Electrical / Wiring	951	1,247	848	1,723	2,246	4,028
Smoke Detectors	145	245	548	145	245	548
Sulphate Attacks	510	510	510	102	0	0
Major Voids	261	269	270	270	270	270
HHSRS Contingency	600	500	500	500	500	500
Other Health and Safety Works (Balconies)	250	250	250	250	250	250
Other External Works	8	34	13	32	326	716
Rising Damp / Penetrating Damp	0	0	0	0	0	0
Professional Fees	1,885	1,885	1,885	1,885	1,885	1,885
External Professional Fees	95	95	95	95	95	95
Decent Homes Backlog	12,253	5,505	0	0	0	0
Planned Maintenance Contractor Overheads	4,854	5,248	4,338	5,197	3,615	4,454
Total Decent Homes	45,302	48,981	40,496	48,504	33,737	41,565
Other Spend on HRA Stock						
Garages	1,500	500	500	500	500	500
Asbestos Contingency	1,000	500	500	500	500	500
Disabled	4,390	4,390	4,390	4,390	4,390	4,390
TIS Schemes	105	105	105	105	105	105
Communal Areas Uplift	2,730	2,730	2,730	2,730	2,730	2,730
Fire Prevention / Fire Safety Works	1,500	1,200	0	0	0	0
Hard surfacing on HRA Land - Health and Safety Works	950	750	750	750	750	750
Hard surfacing on HRA Land - Recycling	100	0	0	0	0	0
Communal Areas Floor Coverings	200	0	0	300	200	0
Professional Fees	520	520	520	520	520	520
Lifts and Door Entry Systems	65	65	65	65	65	65
Fencing	500	500	500	500	500	500
Cemetery Lodge	50	0	0	0	0	0
Hanover / Princess Laundry	0	0	0	0	0	0

Description	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
	£'000	£'000	£'000	£'000	£'000	£'000
East Road Garages - Lighting Controls	4	0	0	0	0	0
TV Aerials	0	0	0	0	0	0
Planned Maintenance Contractor Overheads	1,632	1,349	1,205	1,241	1,229	1,205
Total Other Spend on HRA stock	15,246	12,609	11,265	11,601	11,489	11,265
HRA New Build / Re-Development						
Teversham Drift	0	0	0	0	0	0
Cockerell Road	0	0	0	0	0	0
Harris Road	0	0	0	0	0	0
Church End	0	0	0	0	0	0
Roman Court	1,210	0	0	0	0	0
Seymour Court	0	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	18,130	0	0	0	0	0
Clay Farm	13,663	0	0	0	0	0
Total HRA New Build	33,003	0	0	0	0	0
Cambridge Standard Works						
Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Total Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Sheltered Housing Capital Investment						
Emergency Alarm Service	0	0	0	0	0	0
Talbot House	0	0	0	0	0	0
Ditchburn Place	3,224	0	0	0	0	0
Brandon Court	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,224	0	0	0	0	0
Other HRA Capital Spend						

Description	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
	£'000	£'000	£'000	£'000	£'000	£'000
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	227	0	0	0	0	0
Low Cost Home Ownership	1,500	1,500	1,500	1,500	1,500	1,500
RFR Buy Back	990	0	0	0	0	0
Commercial Property	150	150	150	150	150	150
Total Other HRA Capital Spend	2,867	1,650	1,650	1,650	1,650	1,650
Total HRA Capital Spend	100,642	64,240	54,411	62,755	47,876	55,480
Total Housing Capital Spend at Base Year Prices	104,504	66,884	55,721	64,065	49,186	56,790
Inflation Allowance for Future Years	6,897	19,443	27,654	44,776	47,140	70,516
Total Inflated Housing Capital Spend	111,401	86,327	83,375	108,841	96,326	127,306
Housing Capital Resources						
Right to Buy Receipts	0	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	0	0	0	0	0	0
Major Repairs Reserve	-38,183	-53,423	-58,674	-66,988	-72,951	-83,805
Direct Revenue Financing of Capital	-42,953	-28,760	-21,891	-39,043	-20,565	-40,691
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-14,489	-1,500	-1,500	-1,500	-1,500	-1,500
Disabled Facilities Grant	-1,310	-1,310	-1,310	-1,310	-1,310	-1,310
Developer's Contributions (Affordable Housing)	0	0	0	0	0	0
Prudential Borrowing	-10,764	0	0	0	0	0
Total Housing Capital Resources	-107,699	-84,993	-83,375	-108,841	-96,326	-127,306
Net (Surplus) / Deficit of Resources	3,702	1,334	0	0	0	0
Capital Balances b/f	-5,036	-1,334	0	0	0	0

Description	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
	£'000	£'000	£'000	£'000	£'000	£'000
Use of / (Contribution to) Balances in 5-Year Period	3,702	1,334	0	0	0	0
Use of balance previously ear-marked for affordable housing	0	0	0	0	0	0
Capital Balances c/f	-1,334	0	0	0	0	0

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Council Meeting 23 February 2012

Item 5: Draft Revenue and Capital Budgets – 2011/12 (Revised), 2012/13 (Budget) and 2013/14 (Forecast)

Item 5(a) EXECUTIVE AMENDMENT

Budget Setting Report – Version 4

Unless otherwise stated, all references in the recommendations to sections, pages and appendices relate to Version 4 of the Budget Setting Report (BSR). This can be found via the Council agenda page:

<http://www.cambridge.gov.uk/democracy/ieListDocuments.aspx?CId=116&MId=533&Ver=4>

Background to the Amendment Motion

Local Authority Finance Settlement 2012/13

Since publication of the BSR Version 2, considered by The Executive at their meeting of 19 January 2012 and recommended for approval by Council, the Local Authority Finance Settlement 2012/13 and associated grant determinations were announced on 31 January 2012. The final grant determinations, including the Council's main Revenue Support Grant, were unchanged from the provisional figures included in the BSR. However, a number of revisions will be required to the text of BSR to remove references to provisional figures and to include reference to the final settlement.

Housing Revenue Account Self-financing Determinations

The final determinations for the new HRA Self-financing arrangements under the Localism Act were announced on 1 February 2012. Under the new arrangements for funding of the HRA, effective from 1 April 2012, the Council will be required to take on and service borrowing of £213,572,000 to enable a single debt settlement payment to be made to central government on 28 March 2012.

A detailed 30-year HRA Business Plan and Asset Management Plan were considered at a special combined meeting of the Housing Management Board and Community Services Scrutiny Committee on 8 February 2012 and were recommended for approval by Council by the Executive Councillor for Housing. The HRA Business Plan incorporates all of the detailed budget proposals for the HRA in respect of revenue expenditure and income capital spending and financing.

Following the announcement of final determinations for HRA Self-financing and approval of the detailed Business and Asset Management Plans for recommendation to Council, a number of changes are required to the Budget Setting Report. These amendments relate both to the main body of the report

(in particular sections 5 and 6) and to Treasury Management appendices T(a) and T(b) to reflect the final determinations, financing and borrowing requirements of the HRA. Sensitivity Analysis Appendix U has been amended to signpost readers to the relevant HRA Business Plan appendix. In addition HRA Appendices L and S are now available for incorporation into the BSR.

Recommendations

Council is recommended to approve the amendments outlined below, namely:

Local Authority Finance Settlement 2012/13

- (a) To authorise the Director of Resources to make necessary changes to the text of the final version of the BSR (Version 5) to refer to the Local Authority Finance Settlement 2012/13 announcement made on 31 January 2012 and related final grant determinations.

Housing Revenue Account Self-financing Determinations

- (b) To replace Section 5 HRA Revenue, of the BSR (pages 41 to 46), with the updated version attached.
- (c) To update Section 6 Capital, of the BSR (pages 52 to 54), with the updated text attached.
- (d) To include Appendix L Housing Revenue Account Summary 2012/13 to 2016/17 (at page 132).
- (e) To include Appendix S Housing Capital Investment Programme (at page 185).
- (f) To replace Appendix T(a) Treasury Management Capital Prudential Indicators, of the BSR (pages 187 to 194) with the updated version attached. *(Note – Annexes 1 & 2 of this appendix are unchanged.)*
- (g) To replace Appendix T(b) Treasury Management Borrowing Strategy, of the BSR (pages 199 to 200) with the updated version attached.
- (h) To update Appendix U Sensitivity Analysis, of the BSR (page 215) with the updated text attached.

Section 5

HRA Revenue

Changes to HRA Funding

Following recent changes in law as part of the Localism Act, the current system for financing local authority housing, the national Housing Revenue Account (HRA) Subsidy System will be replaced with a new system, known as Self-Financing.

Under the new system, the government will place a value on each local authority's housing business over a 30-year period, resulting in the need for Cambridge City Council to take on a prescribed level of debt in return for being able to retain all HRA revenue streams, to fund local housing services and also service the debt taken on.

Recognising the major change that the Housing Revenue Account will see from April 2012, when self-financing is introduced, a special joint Housing Management Board (HMB) and Community Services meeting took place on 8th February 2012, to consider the final budget, a 30-year Business Plan and Asset Management Plan for the Housing Revenue Account, incorporating an amendment to reflect the financial impact of the final debt settlement figure, which was confirmed on 1st February 2012, in the sum of £213,572,000. .

The full 30-Year HRA Business Plan and Asset Management Plan are being presented to Council for approval under separate cover. The Business Plan document incorporates all of the budget proposals identified in this Budget Setting Report in respect of the HRA, in addition to incorporating the implications of assumptions made as part of the base HRA Self-Financing business model.

2011/12 Revised Budget

Housing Revenue Account revenue budgets for the current year (2011/12) were initially reviewed as part of the 2011 Medium Term Strategy (MTS) in September 2011. A further review was undertaken as part of the January 2012 committee cycle. Relevant budgets will be updated following Council approval.

The overall effects of the revised budget proposals, compared to the Original Budget, are shown in the table below.

2011/12 Revised Budget	MTS 2011 £	Jan. 2012 £
Net HRA Use of / (Contribution to) Reserves	1,229,100	1,129,730
Variation on previously reported projection		(99,370)

Major variances have been identified and incorporated in the following areas:

- HRA General (£63,070) – Savings in consultant costs where audit fees for the HRA have reduced significantly and in training and office running costs (printing, postage, stationery, bank charges), resulting from a reduction in the number of staff directly employed in the HRA.
- HRA Special (£80,250) – Predominantly a reduction in employee costs due to intentionally holding vacancies to meet the reduction in costs required by Supporting People from April 2011. This underspend is directly offset by an underachievement in income from Supporting People. Electricity costs in communal areas are also less than budgeted, with the impact of introducing Smart Meters now apparent.
- HRA Repairs (£5,000) – The budget for housing occupational therapy costs is less than anticipated, with a corresponding saving also proposed in this budget going forward.
- HRA Summary Account £48,950 – Predominantly due to a reduction in the support income from Supporting People and in the income generated by HRA garages due to increased void levels. This reduction in income is partially offset by an over-achievement in service charge income from tenants and leaseholders, with the tenanted element due predominantly to a reduction in void sheltered properties as

the refurbishment programme nears completion. An over-achievement in rental income in 2011/12 is more than offset by the inclusion of funding to arrange the borrowing required for self-financing.

Review of Charges

Proposals for the review of charges for the Housing Revenue Account were presented to HMB in January 2012. The effects of the approved changes have been included in the base budget projections.

The Final Housing Revenue Account Self-Financing Debt Settlement for April 2012 assumes that local authority guideline rents will increase rents in line with current rent restructuring policies. The level of debt which Cambridge City Council will be required to take on from 28th March 2012 is based upon the assumption that guideline rents at a local level will be increased by an inflation factor of 5.6% (RPI at September 2011) as the base rate, plus 0.5%, plus a move towards target rent by 2015/16, limited to an additional £2.00 per property per week.

Taking into account the above rent guidelines, Cambridge City Council would see an overall increase in guideline rent of 7.9% from April 2012. This in turn drives the increase that local authorities apply to actual rents.

Cambridge City Council has always set rents for tenants in line with government guidelines, to move towards target rents within the government intended timescales. Where the opportunity has arisen, within these guidelines, to limit or minimise rent increases, this has always been acted upon and implemented at a local level.

Taking into account the limit on individual rent increases of inflation (for 2012/13 this is 5.6%) plus 0.5% plus £2.00 per week, and an intended rent convergence date of April 2015, a significant increase in individual rents from April 2012 will again be necessary. Rent convergence will not be achieved at a local level across the entire housing stock for many years, with approximately 150 dwellings still not having achieved convergence in 15 years time, assuming the existing constraint upon rent increases continues to apply. The average rent increase for Cambridge City Council tenants for 2012/13 will be 8.3% or approximately £6.73 per week.

In calculating the level of debt that Cambridge City Council will be required to take on from 28th March 2012 as part of the self-financing valuation, government have made some key assumptions, one of which is:

“Assumed rental income: As described in both the February and July 2011 policy documents, national social rent policy is that rents in the council housing sector should converge with those charged by housing associations by 2015-16, followed by rent rises at RPI + 0.5% per year after this, in line with housing associations. In valuing each local authority's housing business we have assumed adherence to this rent policy”.

Based upon the Final HRA Self-Financing Debt Settlement Determination, the level of debt that Cambridge City Council will be required to take on, will be £213,572,000, with a debt cap set at £230,839,000. Government make the assumption that in order to support this level of debt, whilst still managing and maintaining decency in the housing stock, Cambridge City Council will adhere to the national rent setting guidelines. Any local decision to deviate from this assumption, will have no impact on the level of debt that is required to be supported locally, but will instead reduce the resource available to manage, maintain or improve the existing housing stock and limit any opportunity to borrow further to increase the supply of affordable housing in the city.

Budget Proposals Summary

As in the 2011/12 budget process, a Cash Limit for the Housing Revenue Account as a whole has been adopted.

The net financial impact for the Housing Revenue Account of the bids and savings in controllable expenditure proposed as part of the budget process to date is summarised below.

Proposal Type	2012/13 £	2013/14 £	2014/15 £	2015/16 £
HRA General Savings Requirement (3%)	172,130	172,130	172,130	172,130
HRA Repairs Savings Requirement	15,470	15,470	15,470	15,470
HRA PPF Funding	(75,000)	(75,000)	(75,000)	(75,000)
Reduction in Net Expenditure Required – HRA Cash Limit	112,600	112,600	112,600	112,600

Proposal Type	2012/13 £	2013/14 £	2014/15 £	2015/16 £
HRA Budget Proposals:				
Unavoidable Revenue Bid	202,890	214,890	214,890	214,890
Revenue Bids	37,580	37,580	37,580	37,580
Service Review Savings	(95,600)	(107,600)	(107,600)	(107,600)
Saving	(304,270)	(304,270)	(304,270)	(304,270)
PPF Bids	(23,720)	129,130	48,560	48,560
Net Effect of HRA Proposals	(183,120)	(30,270)	(110,840)	(110,840)
Under / (Over) Achievement against HRA Cash Limit	(70,520)	82,330	1,760	1,760

Further changes have been incorporated as part of the base business model presented in the reports to a special HMB and Community Services on 8th February 2012. The budget from 2012/13 presented as part of the HRA Business Plan incorporates the removal of HRA negative subsidy, the impact of the approved rent increases for 2012/13, the reflection of the principal repayment of debt and amendments to interest paid and received, in light of the final HRA self-financing determination and resulting debt valuation.

The Business Plan also incorporates ongoing funding at the level of £55,570 per annum from 2014/15 for additional staff in the area housing offices to reduce rent arrears, from the point at which the fixed term funding identified as a budget bid in January 2012 ceases. In addition, an amount of £100,000 per annum has been included from 2013/14 in recognition of the transactional costs associated with collecting 100% of rent due as a consequence of the introduction of welfare benefit reforms.

Service Reviews

The service review process is being managed organisationally, with each service review recognising the potential impact of change in respect of both the Housing Revenue Account and General Fund.

Savings delivered to the HRA as a result of service reviews are being incorporated into the longer-term financial planning for the HRA as they are identified by services, and contribute to the savings requirement for the HRA from this point.

Hold List

The Council maintains a Hold List for Projects that have been approved but are awaiting funding. The single item on the Hold List from 2007 (Park Street Car Park Refurbishment) has now been removed, as it is the subject of a bid into the 2012/13 Budget process (C2958).

Six items have been transferred to the Hold List from the Arts, Sport & Public Places portfolio's Capital & Revenue Projects Plan pending final agreement of funding sources.

Ref.	Proposed Scheme / Portfolio	Cost to CCC	Funding Source		
Arts, Sport & Public Places			Reserves	R&R	Other
SC453	Upper River Cam Biodiversity Project	£118,000	x	x	✓
SC455	Logan's Meadow LNR Extension	£188,000	x	x	✓
SC465	Upper River Cam Biodiversity Public Art	£29,000	x	x	✓
SC472	Cherry Hinton Hall Vending Kiosk	£15,000	x	x	✓
SC473	Cherry Hinton Hall Pond & Lake Restorations	£25,000	x	x	✓
SC475	Nightingale Recreation Ground Pavilion Refurbishment	£18,000	x	x	✓
TOTAL		£393,000			

HRA / Housing Capital

In light of the major changes to funding for housing from April 2012, a complete review of the Housing Capital Plan was presented to the special joint meeting of HMB and Community Services on 8th February 2012, as part of the HRA Business Plan and Asset Management Plan. The review includes the impact of changes in investment levels in the housing stock, and incorporates the impact of any capital re-phasing or capital bids identified as part of the 2012/13 budget process.

Early consideration was given to capital bids and savings proposed as part of the 2011/12 revised and 2012/13 original budget process, and the financial implications are summarised below:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Capital Bids – Requiring Funding	0	3,634,970	330,000	330,000	0
Capital Bids – Existing Funding	10,000	0	0	0	0
Capital Savings	(208,000)	0	0	0	0
Net Capital Bids	(198,000)	3,634.970	330,000	330,000	0

Potential Need for Prudential Borrowing

The Council has been debt-free since 2003, when it took advantage of the then capital controls to repay external debt giving benefits to both the General Fund and HRA.

Under the Governments Final HRA Self-Financing Debt Settlement Determination, the Council will need to undertake significant borrowing in order to fund the payment of £213,572,000 to the Government on 28 March 2012 as part of the change to the new self-financing system.

In addition to borrowing to finance the initial debt take-on as part of self-financing, the Council will be able to undertake additional prudential borrowing for the HRA up to a Government determined limit. Based on the figures in the final determination, this provides the opportunity to borrow further £16.09m. Any decisions leading to actual requirements for borrowing would be subject to individual business cases.

In addition, there are a number of other areas where the Council may choose to use prudential borrowing as the most appropriate means of financing new capital requirements:

- **Clay Farm Community Facilities** - a separate report will be considered in the current scrutiny committee cycle providing an update on the project to provide community facilities as part of the Clay Farm development. It is currently anticipated that the Council will take-on the lead role in the provision of these facilities, and it is estimated that this may involve the need to borrow around £2.8m initially.

- **Clay Farm Collaboration Agreement** - under the agreement the City and other development partners, will be required to contribute to the shared cost of providing infrastructure in order to facilitate development of the site. Work is being undertaken to finalise the anticipated amounts and timing of such payments, but it is anticipated that these are likely to precede the point at which the City disposes of its land interest, and so the capital receipt may well not be available to fund these costs. In such a case, consideration would be given to the need for short-term prudential borrowing as a means of financing the collaboration agreement costs until the receipt is achieved.
- **Ditchburn Place** – The BSR and HRA Business Plan includes an HRA capital bid of £3.075m for the potential refurbishment of the extra care housing at Ditchburn place. The bid assumes funding by either the use of revenue funding of capital expenditure or by prudential borrowing against some of the headroom available under the self-financing regime.
- **New Build HRA Dwellings** – The HRA Business Plan also includes the assumption that an element of prudential borrowing against the headroom available in the plan will be required to assist in the delivery of 250 new build homes in the city between 2012/13 and 2016/17.

These items have formed part of the consideration in setting the prudential borrowing limits set out in Appendix T (a) as part of the treasury management strategy. This is considered in more detail in Section 7.

Appendix L

HRA Summary 2012/13 to 2016/17

Description	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Income					
Rental Income (Dwellings)	(32,828)	(34,609)	(36,359)	(38,848)	(40,564)
Rental Income (Other)	(1,023)	(1,049)	(1,075)	(1,102)	(1,130)
Service Charges	(2,309)	(2,361)	(2,414)	(2,468)	(2,523)
Contribution towards Expenditure	(481)	(488)	(497)	(505)	(514)
Other Income	(28)	(31)	(36)	(36)	(36)
Total Income	(36,669)	(38,538)	(40,381)	(42,959)	(44,767)
Expenditure					
Supervision & Management - General	4,704	4,993	5,172	5,381	5,592
Supervision & Management - Special	2,426	2,665	2,591	2,676	2,765
Repairs & Maintenance	6,763	7,091	7,427	7,913	8,398
HRA Subsidy	0	0	0	0	0
Depreciation – t/f to Major Repairs Res.	9,289	9,4307	9,655	10,017	10,249
Debt Management Expenditure	151	155	159	163	167
Other Expenditure	312	521	545	571	592
Total Expenditure	23,645	24,855	25,549	26,721	27,763
Net Cost of HRA Services	(13,024)	(13,683)	(14,832)	(16,238)	(17,004)
HRA Share of operating income and expenditure included in Whole Authority I&E Account					
Interest Receivable	(110)	(135)	(153)	(153)	(152)
Mortgage Interest Receipts	(1)	0	0	0	0
(Surplus) / Deficit on the HRA for the Year	(13,135)	(13,818)	(14,985)	(16,391)	(17,156)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance					
Loan Interest	6,982	6,985	7,093	7,144	7,057
Debt Redemption Premium	301	0	0	0	0
Housing Set Aside	1,090	0	0	3,156	5,490
Depreciation Adjustment	(1,969)	(1,989)	(2,024)	(2,070)	(2,118)
Direct Revenue Financing of Capital	9,333	8,778	9,918	8,183	6,741
(Surplus) / Deficit for Year	2,602	(44)	2	22	14
Balance b/f	(4,559)	(1,957)	(2,001)	(1,999)	(1,977)
Total Balance c/f	(1,957)	(2,001)	(1,999)	(1,977)	(1,963)

Appendix S

Housing Capital Investment Plan (5 Year Detailed Investment Plan)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	2,760	37	0	0	0	0
Disabled Facilities Grants	582	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195	195
Long Term Vacants	20	20	20	20	20	20
Total General Fund Housing Capital Spend	3,557	802	765	765	765	765
HRA Capital Spend						
Decent Homes						
Kitchens	665	691	255	618	598	292
Bathrooms	120	196	128	522	525	119
Boilers / Central Heating	1,553	2,024	1,316	618	2,450	1,688
Insulation / Energy Efficiency	58	100	100	100	100	100
External Doors	378	16	28	129	108	63
PVCU Windows	130	3	339	1,002	1,350	912
Wall Structure	0	15	36	621	63	114
Wall Finishes	479	284	196	319	230	115
Wall Insulation	0	100	100	100	100	100
External Painting	0	0	0	0	0	0
Roof Structure	0	307	300	800	300	322
Roof Covering	934	1,130	544	215	210	274
Chimneys	0	51	39	12	2	1
Electrical / Wiring	304	279	83	91	181	317
Smoke Detectors	0	3	5	19	109	9
Sulphate Attacks	125	102	102	102	102	102

185 (a)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Major Voids	59	56	53	51	48	53
HHSRS Contingency	140	150	150	100	100	100
Other Health and Safety Works (Balconies)	464	50	50	50	50	50
Other External Works	0	0	0	3	5	0
Rising Damp / Penetrating Damp	20	0	0	0	0	0
Professional Fees	377	377	377	377	377	377
External Professional Fees	0	19	19	19	19	19
Decent Homes Backlog	0	2,131	3,907	2,131	1,065	3,019
Planned Maintenance Contractor Overheads	0	970	975	960	971	978
Total Decent Homes	5,806	9,054	9,102	8,959	9,063	9,124
Other Spend on HRA Stock						
Garages	66	300	300	300	300	300
Asbestos Contingency	200	200	200	200	200	200
Disabled	915	878	878	878	878	878
TIS Schemes	25	21	21	21	21	21
Communal Areas Uplift	0	546	546	546	546	546
Fire Prevention / Fire Safety Works	1,424	300	300	300	300	300
Hard surfacing on HRA Land - Health and Safety Works	270	150	250	250	150	150
Hard surfacing on HRA Land - Recycling	199	100	0	0	0	0
Communal Areas Floor Coverings	207	100	100	0	0	0
Professional Fees	104	104	104	104	104	104
Lifts and Door Entry Systems	13	13	13	13	13	13
Fencing	116	100	100	100	100	100
Cemetery Lodge	0	50	0	0	0	0
Hanover / Princess Laundry	3	0	0	0	0	0
East Road Garages - Lighting Controls	0	4	0	0	0	0
TV Aerials	8	0	0	0	0	0
Planned Maintenance Contractor Overheads	0	344	337	325	313	313

185 (b)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Total Other Spend on HRA stock	3,550	3,210	3,149	3,037	2,925	2,925
HRA New Build / Re-Development						
Teversham Drift	115	0	0	0	0	0
Cockerell Road	14	0	0	0	0	0
Harris Road	5	0	0	0	0	0
Church End	319	0	0	0	0	0
Roman Court	165	578	591	41	0	0
Seymour Court	1,153	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	0	4,510	10,761	2,859	0	0
Clay Farm	0	0	0	10,046	3,617	0
Total HRA New Build	1,771	5,088	11,352	12,946	3,617	0
Cambridge Standard Works						
Cambridge Standard Works	455	200	200	200	200	200
Total Cambridge Standard Works	455	200	200	200	200	200
Sheltered Housing Capital Investment						
Emergency Alarm Service	96	0	0	0	0	0
Talbot House	5	0	0	0	0	0
Ditchburn Place	634	3,224	0	0	0	0
Brandon Court	3,045	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,780	3,224	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	34	227	0	0	0	0
Low Cost Home Ownership	300	300	300	300	300	300
RFR Buy Back	0	330	330	330	0	0
Commercial Property	68	30	30	30	30	30
Total Other HRA Capital Spend	402	887	660	660	330	330

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Total HRA Capital Spend	15,764	21,663	24,463	25,802	16,135	12,579
Total Housing Capital Spend at Base Year Prices	19,321	22,465	25,228	26,567	16,900	13,344
Inflation Allowance for Future Years	0	0	835	1,709	2,010	2,343
Total Inflated Housing Capital Spend	19,321	22,465	26,063	28,276	18,910	15,687
Housing Capital Resources						
Right to Buy Receipts	-344	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	-5,119	0	0	0	0	0
Major Repairs Reserve	0	-7,673	-7,398	-7,529	-7,702	-7,881
Direct Revenue Financing of Capital	-2,972	-9,333	-8,778	-9,918	-8,183	-6,741
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-349	-3,507	-6,596	-1,826	-2,260	-300
Disabled Facilities Grant	-262	-262	-262	-262	-262	-262
Developer's Contributions (Affordable Housing)	-331	0	0	0	0	0
Prudential Borrowing	-283	0	-2,526	-8,238	0	0
Total Housing Capital Resources	-9,660	-20,775	-25,560	-27,773	-18,407	-15,184
Net (Surplus) / Deficit of Resources	9,661	1,690	503	503	503	503
Capital Balances b/f	-13,794	-5,036	-3,346	-2,843	-2,340	-1,837
Use of / (Contribution to) Balances in Year	9,661	1,690	503	503	503	503
Use of balance previously ear-marked for affordable housing	-903	0	0	0	0	0
Capital Balances c/f	-5,036	-3,346	-2,843	-2,340	-1,837	-1,334

185 (d)

Appendix T(a)

Capital Prudential Indicators 2012/13 to 2014/15

The Council's capital expenditure plans are a key driver of treasury management activity. Capital expenditure plans are reflected in prudential indicators, which are designed to provide members with an overview of the impact of capital expenditure.

A key issue currently facing the Council is preparations for the impact of HRA reform. The reforms will essentially end the housing subsidy system and will see the HRA as a stand-alone business. The legislation has now been enacted, and the Council will need to approve revised indicators reflecting the reforms going ahead.

The Council currently pays into the HRA housing subsidy system approximately £13m per year. On the ending of the current subsidy system the Council will be required to make a one-off payment to the Government of £213.572m, as set out in the HRA Self-Financing Determinations issued on 1st February 2012. This payment is effectively HRA debt, and so the prudential indicators have been adjusted to reflect this change. The actual borrowing transactions and settlement payment will be made on the 28 March 2012 and so the revised indicators will take immediate effect from the approval of these limits by Council.

Capital Expenditure

This Prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure £000	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
General Fund (Non-Housing)	5,032	11,579	13,920	5,591	5,076
Housing (Incl. HRA)	9,514	19,321	22,465	26,063	28,276
HRA settlement	-	213,572	-		
Total	14,546	244,472	36,385	31,654	33,352

Capital Expenditure £000	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Financed by:					
Capital receipts	(792)	(822)	(937)	(300)	(300)
Other contributions	(13,754)	(30,078)	(35,448)	(28,828)	(24,814)
Net financing need for the year	0	213,572	0	2,526	8,238

The Council's Borrowing Need (the Capital Financing Requirement)

The second Prudential Indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure for which borrowing is required will increase the CFR.

Following accounting changes, the CFR includes any other long term liabilities (e.g. PFI schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council is asked to approve the CFR projections below

£000	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Capital Financing Requirement					
General Fund CFR	(894)	(1,177)	(1,177)	(1,177)	(1,177)
HRA CFR	893	1,176	214,748	217,274	225,512
HRA Settlement	-	213,572	-	-	-
Total CFR	(1)	213,571	213,571	216,097	224,335

Movement in CFR represented by					
Net financing need for the year	(1)	1	(213,571)	(216,097)	(224,335)
HRA Settlement	-	(213,572)	-	-	-
Less MRP/VRP and other financing movements	-	-	-	-	-
Movement in CFR	(0)	(213,571)	(213,571)	(216,097)	(224,335)

Minimum Revenue Provision (MRP) Policy Statement 2012/13

As this Council is currently debt free and has no immediate plans to borrow externally to finance any General Fund capital expenditure in 2012/13, there is no need for this Council to determine a MRP policy for the forthcoming year. No revenue charge is currently required for the HRA. However under HRA reform the HRA will be required to charge depreciation on its assets, which will have a revenue effect. In order to address any possible adverse impact, regulations will allow the Major Repairs Allowance to be used as a proxy for depreciation for the first five years.

Treasury Management Strategy

Part of the treasury management function is to ensure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet its capital expenditure. This involves both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual deposit strategy.

Current Portfolio Position

The Council's treasury portfolio position at 31 March 2011, with forward projections are summarised below. The table shows the actual net external borrowing (for treasury management operations).

£000	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
External borrowing					
Net Borrowing at 31st March	1	(213,571)	(213,571)	(216,097)	(224,335)
Other long-term liabilities (OLTL)	-	-	-	-	-
Actual borrowing requirement at 31 March	1	(213,571)	(213,571)	(216,097)	(224,335)
Deposits at 31 March	56,437	34,953	32,432	32,372	32,423
Cumulative net borrowing requirement	56,438	(178,618)	(181,139)	(183,725)	(191,912)

Within the Prudential Indicators are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its total borrowing, net of any deposits, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2012/13 and the following two financial years (shown as cumulative net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Director of Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary

The operational boundary is the limit which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

Operational boundary £000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Outstanding debt (including HRA settlement)	213,572	213,572	216,098	224,336
Other long term liabilities	-	-	-	-
Total	213,572	213,572	216,098	224,336

The Authorised Limit for external borrowing

A further key Prudential Indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited, and this limit was previously set as part of the Medium Term Strategy 2011, approved by Council on 20th October 2011. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

The Authorised Limit follows in the table below:

Authorised limit £000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Outstanding debt (including HRA settlement)	250,000	250,000	250,000	250,000
Other long term liabilities	-	-	-	-
Total	250,000	250,000	250,000	250,000

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit £000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Total	230,839	230,839	230,839	230,839

Prospects for Interest Rates

The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Annex 2 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view.

Annual Average %	Bank Rate	Money Rates		PWLB Borrowing Rates		
		3 month	1 year	5 year	25 year	50 year
March 2012	0.50	0.70	1.50	2.30	4.20	4.30
June 2012	0.50	0.70	1.50	2.30	4.20	4.30
Sept 2012	0.50	0.70	1.50	2.30	4.30	4.40
Dec2012	0.50	0.70	1.60	2.40	4.30	4.40
March 2013	0.50	0.75	1.70	2.50	4.40	4.50
June 2013	0.50	0.80	1.80	2.60	4.50	4.60
Sept 2013	0.75	0.90	1.90	2.70	4.60	4.70
Dec 2013	1.00	1.20	2.20	2.80	4.70	4.80
March 2014	1.25	1.40	2.40	2.90	4.80	4.90
June 2014	1.50	1.60	2.60	3.10	4.90	5.00

The Economy

Growth in the UK economy is expected to be weak in the next two years and there is a risk of a technical recession (i.e. two quarters of negative growth). Bank Rate, currently 0.5%, underpins deposit returns and is not expected to start increasing until quarter 3 of 2013 despite inflation currently being well above the Monetary Policy Committee inflation target. Hopes for an export led recovery appear likely to be disappointed due to the Eurozone sovereign debt crisis depressing growth in the UK's biggest export market. The Comprehensive Spending Review, which seeks to reduce the UK's annual fiscal deficit, will also depress growth during the next few years.

Fixed interest borrowing rates are based on UK gilt yields. The outlook for borrowing rates is currently much more difficult to predict. The UK total national debt is forecast to continue rising until 2015/16; the consequent increase in gilt issuance is therefore expected to be reflected in an increase in gilt yields over this period. However, gilt yields are currently at historically low levels due to investor concerns over Eurozone sovereign debt and have been subject to exceptionally high levels of volatility as events in the Eurozone debt crisis have evolved.

This challenging and uncertain economic outlook has several key treasury management implications:

The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;

Deposit returns are likely to remain relatively low during 2012/13;

Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;

There will remain a cost of capital – any borrowing undertaken that results in an increase in deposits will incur a revenue loss between borrowing costs and deposit returns.

The following tables consolidate the Prudential and Treasury Management Indicators for Cambridge City Council, from 2010/11 to 2014/15 inclusive.

PRUDENTIAL INDICATORS	2010/11 actual (£000)	2011/12 probable outturn (£000)	2012/13 estimate (£000)	2013/14 estimate (£000)	2014/15 estimate (£000)
Capital Expenditure					
General Fund (Non-Housing)	5,032	11,579	13,920	5,591	5,076
Housing (Incl. HRA)	9,514	232,893	22,465	26,063	28,276
TOTAL	14,546	244,472	36,385	31,654	33,352
Ratio of financing costs to net revenue stream					
General Fund	(370)	(356)	(791)	(1,606)	(2,409)
HRA	(37)	(24)	9,934	9,869	9,792
	(407)	(380)	9,143	8,263	7,383
Net borrowing requirement					
Capital Financing Requirement as at 31 March					
General Fund	(894)	(1,177)	(1,177)	(1,177)	(1,177)
HRA	893	214,748	214,748	217,274	225,512
TOTAL	(1)	213,571	213,571	216,097	224,335
Annual change in Capital Financing Requirement					
General Fund	(1)	0	0	0	0
HRA	0	213,571	0	2,526	8,238
TOTAL	(1)	213,571	0	0	0
Incremental impact of capital deposit decisions	£ p	£ p	£ p	£ p	£ p
Increase in council tax (Band D, per annum)	0.00	0.00	0.00	0.00	0.00
Increase in housing rent per week	0.00	0.00	0.00	0.00	0.00
	(no increases in either council tax or housing rents are anticipated in connection, specifically, with the reform of the HRA)				

TREASURY MANAGEMENT INDICATORS	2010/11 actual (£000)	2011/12 probable outturn (£000)	2012/13 estimate (£000)	2013/14 estimate (£000s)	2014/15 estimate (£000s)
Authorised limit for external debt					
Borrowing	250,000	250,000	250,000	250,000	250,000
Other long term liabilities	-	-	-	-	-
TOTAL	250,000	250,000	250,000	250,000	250,000
Operational boundary for external debt					
Borrowing	3,000	213,572	213,572	216,098	224,336
Other long term liabilities	-	-	-	-	-
TOTAL	3,000	213,572	213,572	216,098	224,336
Actual external debt	0	213,572	213,572	216,098	224,336
Upper limit for fixed interest rate exposure					
Net interest re fixed rate borrowing / deposits	(320)	(400)	721	660	607
Upper limit for variable rate exposure					
Net interest re variable rate borrowing / deposits	(120)	(375)	(420)	(420)	(420)
Upper limit for total principal sums invested for over 364 days					
(per maturity date)	5,000	5,000	5,000	5,000	5,000
Maturity structure of new fixed rate borrowing during 2011/12		Upper Limit		Lower limit	
Under 12 months		100%		0%	
12 months and within 24 months		100%		0%	
24 months and within 5 years		100%		0%	
5 years and within 10 years		100%		0%	
10 years and above		100%		0%	

Appendix T(b)

Treasury Management Borrowing Strategy

The requirement for the HRA reform settlement to be made to the CLG on 28 March 2012 will require a separate consideration of a borrowing strategy. The Council will need to have the cash settlement amount of £213.572m available by the 28th March 2012, so separate borrowing solely for this purpose is anticipated.

The PWLB are providing loans at interest rates 0.85% lower than the usual PWLB interest rates solely for the settlement requirements. This provides a compelling reason to utilise this borrowing availability. The exact structure of debt to be drawn is currently being considered by officers to ensure it meets the requirements of the HRA business plan and the overall requirements of the Council.

Whilst the debt can be drawn earlier than needed, this may incur a revenue cost, and will be considered when a review of the structure of actual prevailing borrowing and deposit interest rates is undertaken nearer to the time.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Policy on Borrowing in Advance of Need

The Council will not borrow more than, or in advance of its needs, purely in order to profit from the deposit of the extra sums borrowed.

Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Appendix U

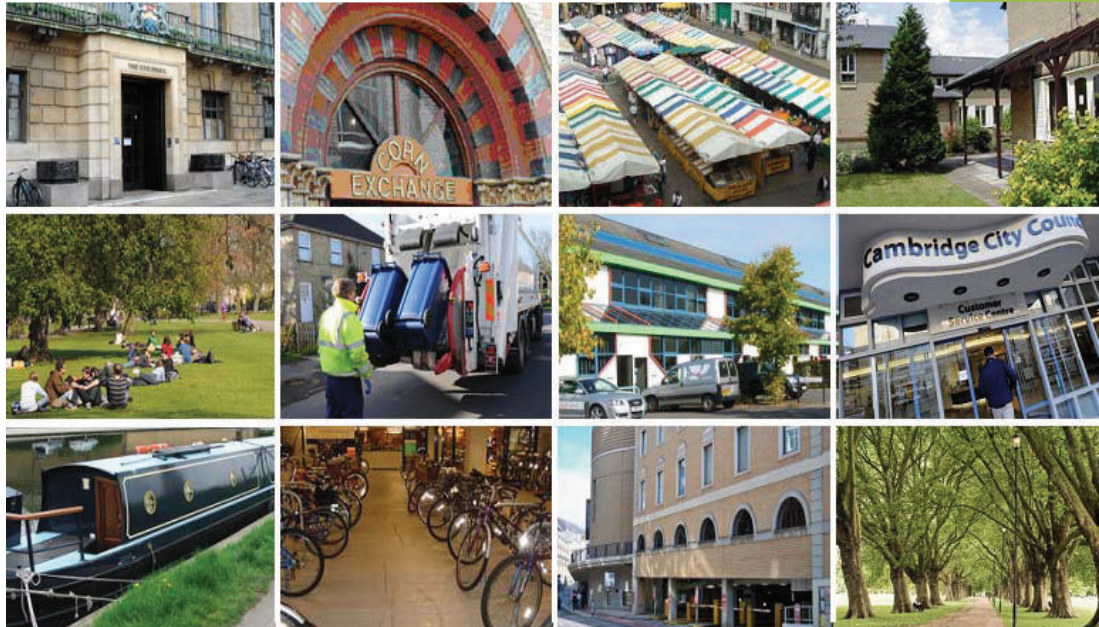
Sensitivity Analysis - updated final page

Topic	Quantum	BSR Assumption	Risk
Land Charges Income	c. £0.2m	Reductions based on latest experience have been incorporated	Increased proportion of personal searches and reduced number of overall searches due to market conditions. Potential loss of ability to charge for Personal Searches following a decision by the Information Commissioner.
Housing Revenue Account			
A sensitivity analysis in respect of the Housing Revenue Account is included in the HRA 30-Year Business Plan at Appendix F			

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Version 4
Council

Budget Setting Report



February 2012

2012/13

Cambridge City Council

Version Control

Version No.	Revised version / updates for:	Content
1	Strategy & Resources Scrutiny Committee (16 January 2012)	Initial budget overview and budget proposals
2	Executive (19 January 2012)	Equalities Impact Assessment Proposals of Executive
3	Special Strategy & Resources Scrutiny Committee (3 February 2012)	Amendments to Executive proposals Minority Group budget amendment proposals
Current 4	Council (23 February 2012)	Final Proposals to Council including Director of Resources section 25 report and risk assessment
5	FINAL	Updates relating to; - Final Local Government Finance Settlement - HRA position following the Final HRA Subsidy Determination Approved Budget for 2012/13 and forward projections

Precept Setting Dates

Cambridgeshire Police Authority	Cambridgeshire Fire Authority	Cambridgeshire County Council
9 February 2012	16 February 2012	21 February 2012

Cambridge City Council Budget Setting Report 2012/13

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Section 1

Introduction

Purpose, Scope and Key Dates

Purpose

At its meeting on 20 October 2011, the Council gave consideration to the budget prospects for the General Fund and Housing Revenue Account (HRA) for 2012/13 and future years in light of local and national policy priorities and the implications for public sector funding of the current economic climate. The approved Medium Term Strategy (MTS) set out the agreed financial strategy for the Council, and confirmed the framework for the detailed budget work to develop proposals for the 2012/13 budget, as part of the corporate decision-making cycle.

At this stage in the process, the range of assumptions on which the MTS was based need to be reviewed in light of the latest information available to determine whether any aspects of the strategy need to be revised. This will then provide the basis for the finalisation of the budget and setting the Council Tax for 2012/13.

This document provides an overview of the review of the key assumptions that has been undertaken, and sets the key parameters for the consideration of detailed recommendations and budget finalisation to be made at the meeting of the Executive on 19 January 2012.

Scope

The Budget Setting Report is designed to provide an integrated view of the whole of the Council's finances and outlook. It covers both revenue and capital spending by the Council, highlighting the inter-relationships between the two, and the resultant implications. It also considers all of the financial accounts, or Funds, operated by the Council.

As with the MTS, a key aspect of the detailed budget work has been risk assessment and management. In order to ensure that the Council's financial position and risks are

appropriately managed over the medium and longer-term, within the financial projections, the following modelling periods have been adopted :

For the ...	Period	Purpose / Use
MTS & budget	5 years	Detailed budget & Council Tax setting
Longer-term projections	25+ years	Demonstrate long-term effects & thus sustainability

The 5-year forecast period includes a review of the current year budget position, a detailed projection for the following year and forward projections for the following three years, to demonstrate the full-year effects of budget proposals and decisions.

The full 25-year model for the General Fund and 30-year business model for the HRA are not shown in detail within the MTS or this report, however, any significant longer-term implications are highlighted as appropriate.

Sensitivity analysis of key factors is undertaken, as part of both the MTS and budget setting processes to ensure that effective contingency plans are available to the Council and that the appropriate levels of reserves can be maintained.

Key Dates

The financial planning and budget preparation timetable is shown in detail in Appendix A. The key member decision-making dates are as follows:

Date	Task
2011	
September 12	The Executive recommends MTS to Council
October 20	Council approves Medium Term Strategy 2011/12 to 2015/16
2012	
January 16	Strategy & Resources Scrutiny Committee considers Budget Setting Report (BSR)
January 19	The Executive recommends Budget Setting Report to Council
February 3	Special Strategy & Resources Scrutiny Committee considers any budget amendment proposals
February 23	Council approves the budget and sets the Council Tax for 2012/13

Review of Key Factors

The MTS agreed a base position, for detailed budget work, of the 2011/12 budget inflated to 2012/13 prices and adjusted for known / approved changes.

For the General Fund the approved budget strategy included:

- The identification of overall savings requirements over the period 2012/13 to 2015/16 of £5,163m and projected net savings from service reviews of £1.733m giving remaining savings requirements as set out in the table below:

Factor	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Net Savings Requirement	1,242,000	1,287,860	1,683,310	950,000
Projected Net savings from Service Reviews	(1,250,000)	(440,000)	(43,000)	0
Net Savings Requirement - sources still to be identified	(8,000)	847,860	1,640,310	950,000

- An objective to seek to reduce the Net Savings Requirement for future years, in addition to meeting the requirement for the budget year, where possible.
- That the MTS assumption of a 2% per annum increase in Council Tax from 2012/13 would be reconsidered at budget setting stage, in the light of the Local Government Finance Settlement announcement and any Government scheme for 2012/13.
- That the target level of reserves continues at £5m with a minimum working balance set at £1.5m.
- That an annual sum of £1.38m of General Fund Reserves continues to be made available to support funding of the Capital and Revenue Projects Plan in 2012/13 and future years.
- A need to identify the potential for additional funding for capital spending, in light of a number of potential pressures; including the refurbishment works to Park Street Car park (on the Hold List).

- Provision of a priority policy fund in 2012/13 and future years at the level of £500,000.

For the Housing Revenue Account (HRA) the approved strategy included:

- That initial preparatory work on the 2012/13 budget would be undertaken based on a savings requirement of 3% of controllable general management expenditure but recognising that this might need to be reviewed in light of the emerging self-financing position.
- That repairs expenditure would be reduced proportionally to reflect anticipated reductions in stock.
- That a sustainable budget position is sought, with anticipated use of £500,000 per annum of HRA reserves, to support investment in the housing stock, until the target level of reserves is achieved.
- A minimum working balance for reserves of £1m, with a medium-term target of £3m.
- Provision of a priority policy fund in 2012/13 and future years at the level of £75,000 with any savings identified above target being used to increase this funding.

However, it should be noted that the initial budget strategy for the HRA was based on the old housing subsidy arrangements which are to be replaced by a new HRA Self-Financing regime with effect from 1 April 2012. Work on preparing a detailed 30-year business plan and detailed asset management strategy, under the new arrangements, is at an advanced stage and these plans together will inform the final budget proposals for the HRA, both revenue and capital.

Key factors for review

This report reviews the key factors as follows:

Factor	Section	Notes
Policy Context for budget setting	2	
General Fund Resources:		
Local Government Finance Settlement - Formula Grant	3	Based on Provisional Settlement announcement (expected late November/early December)
Other Government Grants	3	Based on latest information available
Earmarked Funds	3	Latest projections of key funds and new items seeking funding approval

Factor	Section	Notes
Council Taxbase	3	Based on October 2011 actual tax base return and latest housing growth projections
General Fund Spending Proposals:		
2011/12 Revised Budget	4	Based on January 2012 scrutiny committee reports
Post MTS Approvals	4	Based on decisions made under urgency powers and those proposed in the January 2012 cycle of meetings
2012/13 Budget Proposals including:		
Non-cash limit items	4	Based on latest projections / detailed estimates
Bids and savings proposals	4	Based on January 2012 scrutiny committee reports
Overall position against savings targets	4	Based on January 2012 scrutiny committee reports
PPF bids and availability of funding for future years	4	Revised projections of funding available in light of overall General Fund position
Housing Revenue Account	5	Based on January 2012 Housing Management Board

Section 2

Local & National Policy Context

Review of Local Policy Context

As set out in the MTS, the local policy context and priorities for the Council are agreed in May each year through the adoption by Council of an Annual Statement. The Annual Statement approved in May 2011, confirmed a 'Vision for the City' and agreed how the Council would work towards meeting the vision during 2011/12 and beyond. Since then, some changes have been recommended by the Executive to the wording of the Council's Vision for the City. These changes emphasise the Council's desire to protect vulnerable and disadvantaged residents and recognise the broader base of Cambridge's economic growth. The new version is set out below for approval by Council.

Our Vision

The Council has a clear vision for the future of our city, a vision which we share with Cambridge citizens and with partner organisations.

Cambridge – where people matter

- A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing.
- A city whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives.
- A city where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all.

Cambridge – a good place to live, learn and work

- A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities.

- A city which draws inspiration from its iconic historic centre and achieves a sense of place in all of its parts with generous urban open spaces and well-designed buildings.
- A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery.
- A city where getting around is primarily by public transport, bike and on foot.

Cambridge – caring for the planet

- A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution.

Public Budget Consultation and Mapping Disadvantage

There are two key pieces of work which have been undertaken by the Council following the publication of the September 2011 MTS which provide important context for budget decision-making, and the latest information is summarised below.

Public Budget Consultation

For a number of years the Council's budget process has included consultation with the citizens of Cambridge to find out which services were most important to residents and what they thought spending and savings priorities should be for the coming budget year.

We have used a mixture of surveys and workshops to build up trend data on the views of residents about spending and saving priorities and have found that views have been quite consistent over time.

The 2011 survey was undertaken as part of the wider Citizens Survey by BMG Research Ltd on behalf of Cambridge City Council. It was conducted by means of a postal questionnaire with 801 randomly selected residents. Questions covered the level of Council Tax, identification of those service areas that are most important and those that are less important, and those services that it was felt that the Council should not provide at all.

The questions posed and results are summarised below, with further details provided at Appendix Z.

Summary of Provisional Results (December 2011)

Mandatory services

Question - Please select three services that are **very important** and that should be provided to the highest possible standard.

The three most common responses were:

- Collecting rubbish from properties within the City (73%)
- Cleaning the streets and public places and removing graffiti (36%)
- Collecting recyclable items from properties within the City (34%)

Question - Please select three services that are less important and that could be provided at a lower standard to save money.

The three most common responses were:

- Running elections (27%)
- Enforcing standards in privately rented housing (27%)
- Administering Council meetings and supporting Councillors so that they can represent local residents (27%)

Discretionary services

Question - Please select three services that are **very important** and that should be provided to the highest possible standard

The three most common responses were:

- Working with the police to tackle anti-social behaviour (35%)
- Providing community service for older people (31%)
- Managing and maintaining the City's parks and open spaces (28%)

Question - Please select three services that are **less important** and that could be provided at a lower standard to save money.

The three most common responses were:

- Running the Corn Exchange (27%)

- Providing events such as the Folk Festival, Big Weekend and Bonfire Night (24%)
- Running the Tourist Information Centre and services for visitors (24%)

Question - Please select three services that could be stopped altogether if savings have to be found.

The three most common responses were:

- Managing and maintaining some commercial premises which the Council rent to local businesses (34%)
- Running the Corn Exchange (31%)
- Providing events such as the Folk Festival, Big Weekend and Bonfire Night (30%)

Level of Council Tax

Question - Which of the following statements do you agree with the most?

The responses to this question in rank order were as follows:

- Cambridge City Council should charge for more services so they don't have to increase Council Tax by more than inflation (31%)
- It is important for Cambridge City Council not to increase Council Tax, even if this means a reduction in the levels of service (31%)
- It is important for Cambridge City Council to maintain current levels of service, even if this means increasing Council Tax (24%)
- It is important for Cambridge City Council to improve current levels of service, even if this means increasing Council Tax (13 %)

Question - And which statement do you agree with the least?

The responses to this question in rank order were as follows:

- It is important for Cambridge City Council to improve current levels of service, even if this means increasing Council Tax (31%)
- It is important for Cambridge City Council not to increase Council Tax, even if this mean a reduction in the levels of service (24%)
- It is important for Cambridge City Council to maintain current levels of service, even if this means increasing Council Tax (23%)
- Cambridge City Council should charge for more services so they don't have to increase Council Tax by more than inflation (22%)

A report on the full results of the Citizen Survey will be published on the consultation pages of the Councils website in January 2012.

Mapping Disadvantage

Mapping Poverty reports produced by the Council have looked in-depth at the different types of households claiming Housing Benefit and Council Tax Benefit in Cambridge. This benefit has been used as a proxy indicator of low income.

Mapping Poverty 2011 will be the seventh report to have been prepared. Its findings will be released shortly. The previous reports were provided biannually between 2000 and 2008 and then in 2009, as a special case, near the bottom of the trough of the recession. The reports between 2000 and 2008 showed a relatively stable number of benefit claimants living in the City, of around 8,000 people. The background during this period was of relative economic prosperity for Cambridge, with near full employment. The problem at this time was said to be in matching local people to the jobs that were available.

Our administrative data shows that, since 2009, Cambridge's benefit population (that is a claimant and their dependants living in a household) increased marginally. Of the resident population, 11% live in households in receipt of Housing Benefit and/or Council Tax Benefit. These proportions are similar to 2009. There continues to be inequality between different geographical areas in Cambridge in terms of household income with just over half of the City's benefit population living in four of the City's 14 wards.

It is anticipated that the Government's reforms to welfare will substantially change the extent and distribution of claimants over the next few years. Changes to the Local Housing Allowance have already impacted on young people living in privately rented housing, many of whom are finding it difficult to sustain their tenancies. Proposed Council Tax Benefit changes could also impact on benefit claimants in an unequal way with working age claimants twice as vulnerable to any changes, given the likely protection to be provided to pensioners.

The Mapping Poverty reports have allowed local service providers over the years to build a robust and up to date view of low-income households. They have made it easier to target local work and armed with this information, many organisations in the City have been able to win grants to help tackle pockets of disadvantage and support communities. The 2011

Mapping Poverty Report will allow the Council to better understand the groups of people who will be affected by the impending welfare reforms. It is expected that it will be published in January 2012.

Review of National Policy Context

Public Spending and the Economy

The national economy and global economic climate continue to drive Government policy and decisions on public spending.

The Autumn Statement

The government published its Autumn Statement on 29 November 2011. This set out the actions the government intends to take in protecting the economy, building a stronger economy for the future and fairness.

The June 2010 budget set out the government's plan to reduce the deficit and re-build the economy. The Autumn Statement identifies that since that time the UK economy has been subject to a series of shocks which have served to significantly weaken the economic and fiscal outlook. The most significant issues have been:

- Higher than expected inflation, driven by a sharp increase in global commodity prices which has resulted in slower than anticipated growth in the economy.
- The increase in the euro area crisis resulting in increased instability and uncertainty which has fed through to household and corporate spending decisions and tighter credit conditions.
- Greater clarity with regard to the full-scale and persistent impact of the 2008/09 financial crises. This is reflected in a significant downward revision, by the Office for Budget Responsibility (OBR), of the projection for the trend rate of growth, by a margin consistent with previous financial crises.

Amongst the additional measures announced in the Autumn Statement are a number which will directly impact local authorities. The most significant for the Council are:

Public Sector Pay – The existing government guidelines for public sector pay affect local government settlements through to 2012/13. The Autumn Statement has announced

guidelines for the following two years with an expectation of an average increase of no more than 1% in each year.

Government Departmental Spending – In the Statement the Chancellor confirmed that government departmental budget for 2013/14 and 2014/15 will be adjusted to reflect the assumption of 1% average pay increases, and announced that local government budgets would be adjusted accordingly.

The Chancellor announced new totals for public spending in 2015/16 and 2016/17. These are in line with the spending reductions in the 2010 Spending Review i.e. that Total Managed Expenditure should fall by 0.9% per annum in real terms.

Right to Buy – The Autumn Statement included a commitment to reinvigorate the Right to Buy scheme in order to support social tenants who aspire to own their own home. Indications are that this could result in discount rates of up to 50%.

Inflation and Growth

Disappointing global economic data continues to undermine market and consumer confidence and the impact of weak domestic economic indicators has led the Bank of England to lower its forecasts for growth for both this year and next year. Consumer price inflation (CPI) peaked at the expected 5% in October, whilst RPI reached 5.6% in September. Both of these measures are now declining but are significantly higher than Government targets.

The table below shows the movement in each of the main measures of inflation in the year to date:

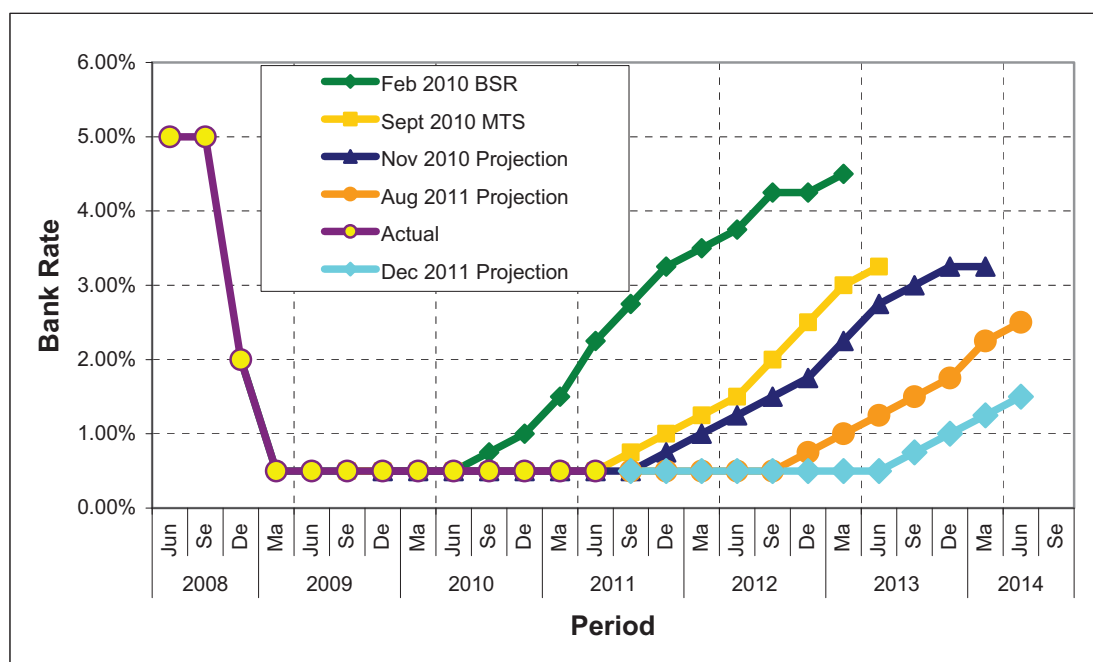
Period	CPI	CPIY	RPI	RPIY	RPIX
April 2011	4.5	3.0	5.2	4.0	5.3
May 2011	4.5	3.0	5.2	3.9	5.3
June 2011	4.2	2.7	5.0	3.7	5.0
July 2011	4.4	2.9	5.0	3.8	5.0
August 2011	4.5	3.0	5.2	4.0	5.3
September 2011	5.2	3.7	5.6	4.5	5.7
October 2011	5.0	3.5	5.4	4.3	5.6

Period	CPI	CPIY	RPI	RPIY	RPIX
November 2011	4.8	3.4	5.2	4.1	5.3

Interest Rates

At its meeting on 8 December 2011 the Bank of England's Monetary Policy Committee (MPC) voted to maintain the official bank rate at 0.5%. The last change in bank rate was a reduction of 0.5% on 5 March 2009. They also announced the continuation of the programme of asset purchases totalling £275bn financed by the issuance of central bank reserves. The MPC anticipate that it will take another two months to complete the programme and have indicated that the scale of the programme will be kept under review.

The government's actions to deal with the economic downturn have resulted in the reduction in market interest rates to record lows. The Autumn Statement and the associated economic projections from the OBR have confirmed that recovery from the downturn will take longer than had previously been anticipated. The graph below shows latest projections (at December 2011) for Bank Rate plotted against those previously reported:



This clearly shows the degree to which the recovery from the economic downturn has been delayed in comparison with previous market expectations. The degree of delay together with

the lower expected final level of interest rates results in a significant budget pressure for the Council.

Further detail is included in Section 7 on Treasury Management and the associated appendices.

The Localism Act

The MTS provided an outline of the key measures included in the Localism Bill which was, at that time, the subject of parliamentary debate as it passed through the both the House of Commons and the House of Lords.

Since publication of the MTS the Bill has become an Act, receiving Royal assent on 15 November 2011.

Main measures of the Localism Act

The main measures of the Act are largely unchanged from those described in the MTS, falling into four main headings:

- New freedoms and flexibilities for local government
- New rights and powers for communities and individuals
- Reform to make the planning system more democratic and more effective, and
- Reform to ensure decisions about housing are taken locally

Different parts of the Act will come into effect at different times. In many cases the Government will need to set out further details, such as, the exact rules on how different community rights will work. In some cases the Government will undertake further consultation. These processes may affect when different parts of the Act come into force.

The Government has stated its aim for bring many major measures into effect in April 2012. These include:

- Reforms to social housing tenure and council housing finance
- The general power of competence for local authorities
- The community right to build
- Planning reforms including the changes to planning enforcement rules
- The right for communities to veto excessive council tax rises

The potential implications of the Localism Act on individual Council services were outlined in Section 4 of the MTS and have been considered throughout the budget setting process.

The introduction of reforms of council housing finance from 1 April 2012, moving from a subsidy regime to one of self-financing, in particular will have far reaching implications for the Council. Further information on the implications and preparations being made for the new system can be found throughout this document.

Section 3

General Fund Resources

Local Government Finance Settlement

Formula Grant

Details of the final Local Government Settlement for 2011/12, together with provisional settlement figures for 2012/13, were announced on 31 January 2011. This announcement was used for the purposes of financial modelling for the MTS 2011. Although it had been expected that a 4-year settlement would be announced in conjunction with spending review 2010, details of the final two years (2013/14 and 2014/15) were deferred until the completion of the government's Local Government Resource Review.

In the absence of provisional grant entitlements for years after 2012/13, the assumptions made for the purposes of financial modelling for the MTS were unchanged from those adopted for the February 2011 Budget Setting Report. An overall reduction in grant over the four-year period 2011/12 to 2014/15 of 31% was assumed, with equal percentage reductions over the latter two years, following the cumulative reduction of 23.1% over 2011/12 and 2012/13. This broadly reflected the profile of the reduction in national control totals contained within the spending review.

Provisional Settlement 2012/13

On 8 December 2011 an announcement was made to parliament about the Local Government Finance Settlement for 2012/13 and details were provided to individual authorities of the make up of their Formula Grant entitlement. The announcement marked the start of the statutory consultation period which runs until 16 January 2012.

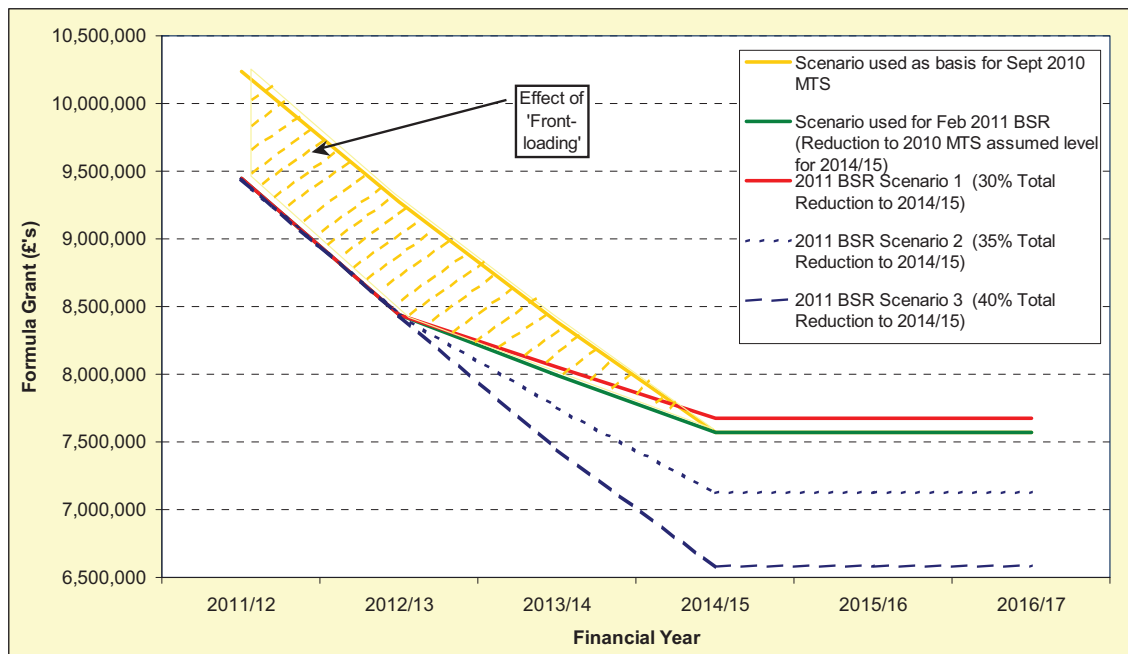
For the City Council, the only changes from the provisional Formula Grant figure first announced in January 2011 are that the breakdown of Formula Grant between Revenue Support Grant and redistributed Business Rates has now been provided and that Council Tax Freeze Compensation (for 2011/12) has now been rolled up into Formula Grant rather than being paid as a separate grant.

The following table shows the Council's provisional grant for 2012/13 compared with that for 2011/12:

Formula Grant	2011/12	2012/13
Prior year adjusted base (i.e. after adjustments including transfer of Concessionary Fares responsibility)	£10,961,863	£9,472,251
Formula Grant entitlement		
Revenue Support Grant	£2,246,689	£163,516
Share of Business Rates	£7,268,417	£8,435,295
Total Formula Grant	£9,515,105	£8,598,811
Council Tax Freeze Grant	169,647	Included above
Total Formula Grant + Council Tax Freeze Grant	£9,684,752	£8,598,811
Reduction (year-on-year excluding Council Tax Freeze Grant)	(13.20%)	(11.41%)
Reduction from 2010/11 adjusted base		(23.10%)

Future Formula Grant Prospects

In the absence of any announcement of provisional grant for years after 2012/13 the assumptions made for the purposes of financial modelling for this MTS are those adopted for the February 2011 Budget-Setting Report. For the purposes of the BSR, an overall reduction in grant over the four-year period 2011/12 to 2014/15 of 31% was assumed, with equal percentage reductions over the latter two years, following the cumulative reduction of 23.1%. This broadly reflects the profile of the reduction in national control totals contained within the spending review. This is reflected graphically below:



It is anticipated that the announcement of the outcome of the Local Government Resource Review will see the ending of the current Formula Grant system and its replacement with a scheme based on the re-localisation of Business Rates, with effect from 2013/14. On the evidence of the initial consultation on the proposed new scheme, the effect is likely to be a starting point based on current entitlement to support under the Formula Grant process.

Whilst the scheme is projected to include retention of a proportion of the local growth in Business Rates it is not anticipated that this will produce significant amounts of additional income for the Council, at least in the first two years which are covered by the existing spending review. The feedback from the consultation has raised concerns that the proposed scheme does not provide sufficient incentive to encourage actions leading to growth in the Business Rate Base.

Further consultation is expected to be published by the Government in the near future, and will seek to address the concerns raised in the first consultation, including a review of the proportions of additional funding allocated to districts and counties in two-tier areas.

As noted above, the Autumn Statement has set plans for public spending in 2015/16 and 2016/17 in line with the spending reductions over the Spending Review 2010 period.

Future levels of Government support will also be influenced by changes in population. The figures from Census 2011 have yet to be published and we await confirmation as to when they will be used to re-base population figures for Government grant purposes. In the past, the re-basing of population using census data has had significant negative implications in terms of entitlement for the Council, due to high degree of population mobility of the City.

In the interim, the Office of National Statistics has been consulting on a proposed improved methodology for estimating net immigration to local authorities. Whilst seeking to improve the basis for estimation the methodology has resulted in significant % changes for a number of local authorities which appear hard to reconcile to local knowledge and official data sources. Cambridge is one of these authorities with a projected reduction of 20,200 in the indicative mid-year estimate for 2010. The Council is working together with other similar affected authorities and the LGA in seeking to challenge the proposed new methodology.

These factors highlight the degree of uncertainty that still exists with regard to the level of future Government support. It is intended that more detailed analysis and projections are included in the September 2012 MTS, when it is hoped clearer information is available.

Council Tax Thresholds

Alongside the settlement announcement, Council Tax referendum thresholds for 2012/13 were announced. These have been set at 3.5% for single tier, county councils and shire districts, at 4% for police, fire authorities and the GLA and at 3.5% for the City of London. These thresholds are all 1% above the figures for which the new one-year freeze grant for 2012/13 will be paid.

Other Government Grants

In addition to Formula Grant the Council still receives a number of other revenue grants from central government although these are reduced in number following incorporation of a number of them into Formula Grant. In addition, government has removed ringfencing from the majority of grants.

The table below sets out the anticipated grants that the Council will receive in the period 2011/12 to 2013/14 and which have been incorporated into budget proposals presented in this document. Where applicable, estimated grant entitlements will be updated with any final notifications received prior to budget setting.

Specific Grants	2011/12 £	2012/13 £	2013/14 £	2014/15 £
New Homes Bonus	786,646	1,521,544	2,335,544	3,456,144
Housing & Council Tax Benefits Administration Grant	822,952	759,704	tba	tba
2011/12 Council Tax Freeze Grant (from 2012/13 this is included within Formula Grant)	169,647	0	0	0
2012/13 Council Tax Freeze Grant (Indicative grant if decision is made not to increase Council Tax)	N/A	171,597	0	0
Preventing Homelessness Grant	575,470	575,470	tba	tba

New Homes Bonus

The New Homes Bonus (NHB) scheme, introduced from 1 April 2011, was designed to encourage and reward local authorities for the delivery of new homes and the reduction of the number of empty homes in their areas. The NHB is designed so that provision of additional housing in a particular year is recognised through the award of additional funding for a period of six consecutive years, starting in the following year. Entitlement is based on the actual numbers of housing completions and empty homes brought back into use together with an affordable housing component.

NHB for 2011/12, determined on 4 April 2011, was £786,646 which under the scheme should be paid for a period of six years. This funding is being used to secure the employment of the team of professionals needed to ensure that the new communities that are being created to the south and north west of the city will be successful and located within attractive places to live.

The provisional allocation for 2012/13 of £734,898 was announced on 1 December 2011 based on data obtained from local authority Council Tax Base forms together with DCLG official statistics on additional affordable housing supply. Representations (if any) on the data used must be submitted by 30 December 2011.

Forward projections of NHB are based on estimated housing completions and are, therefore, dependent on achieving the projected growth rates each year. Nationally, funding for the NHB scheme has only been explicitly provided for the period of the Sending Review, i.e. to 2014/15. However, it remains unclear as to the implications for local authorities resulting from

the funding of NHB after 2012/13. There have been indications that funding for the scheme for future years may be achieved through top-slicing of Formula Grant.

Forward estimates of NHB entitlement, updated since the MTS to reflect the latest housing growth projections, are set out in the following table:

NHB	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
2011/12 allocation	(786,646)	(786,646)	(786,646)	(786,646)	(786,646)	(786,646)	
2012/13 provisional allocation		(734,898)	(734,898)	(734,898)	(734,898)	(734,898)	(734,898)
New Homes Bonus Total	(786,646)	(1,521,544)	(1,521,544)	(1,521,544)	(1,521,544)	(1,521,544)	(734,898)
Funding of Fixed Term Growth Posts	818,380	818,380	818,380	818,380	818,380	818,380	818,380
Balance after Funding for Growth-related Posts	31,734	(703,164)	(703,164)	(703,164)	(703,164)	(703,164)	83,482
Projection of Future NHB entitlement			(814,000)	(1,934,600)	(1,934,600)	(1,934,600)	(1,934,600)
Potential net NHB funding available	31,734	(703,164)	(1,517,164)	(2,637,764)	(2,637,764)	(2,637,764)	(1,851,118)

At MTS stage, it was considered reasonable to assume that the remaining balance in 2012/13 would not be offset by a reduction in Formula Grant (through a national top-slicing adjustment) as the Government has already announced the level of Formula Grant for that year. On that basis, it was agreed that the Council would consider what one-off costs / projects could be funded using this money as part of the budget setting process this year. As part of the BSR projections the net funding available in 2012/13 (£703,164) has been used to support capital spending.

The additional funding for 2012/13 will be used to support the programme of capital investment in the city, including investing in energy efficiency for owner occupied and rented housing in the city, improving recycling with new bins in our streets and open spaces, refurbishing the Lion Yard toilets, reducing the council's energy bills and making our streets safer with 20mph speed limits.

However, in light of the scale of the additional funding projected to be available in future years, and the concern as to the degree to which this may be offset by top-slicing of the Council's Formula Grant, it was proposed and agreed that the additional funding be earmarked (rather than added to general reserves) with a view to considering appropriate application at a later date.

When its 2013/14 funding basis is clear the council will be in a position to confirm the degree to which the future years' of New Homes Bonus are needed to support investment plans that are already in place, or whether it will be available for new projects as is hoped.

Future projects under development include investment in more energy-efficient technologies and services (to deliver our Carbon Management Plan and cut our carbon footprint by 25% as the city grows), contribution to the Green Deal to help residents and tenants improve the energy efficiency of their homes and improving alternatives to using the car in Cambridge.

Housing & Council Tax Benefits Administration Grant

This grant is paid towards the costs of administering the present schemes of Council Tax and Housing Benefit. The 2011/12 grant is made up of two components - £747,664 main administration subsidy plus an additional subsidy of £75,288 in recognition of the high levels of administration activity as a result of the downturn in the economy.

At the time of the 2012/13 Local Government Finance Settlement announcement on 8 December 2011 the levels of this grant for 2012/13 were also published - £691,279 main administration subsidy plus an additional subsidy of £68,425 giving a total entitlement of £759,704. This represents a reduction of £63,248 in grant entitlement from 2011/12, equivalent to 7.69%.

Entitlements for future years are uncertain and will be impacted by the planned major welfare reforms and scheme for the localisation of Council Tax benefit.

Council Tax Freeze Grant

This grant was introduced in 2011/12 to recompense local authorities that agreed to freeze the level of their Council Tax to that of the previous year. The compensation took the form of a grant equal to the loss of Council Tax revenue foregone had a 2.5% increase been made. This grant, relating to the freeze of tax for 2011/12, is to be continued for the four years of the Spending Review period but with no indication that this funding will continue after 2014/15. From 2012/13 the grant has been rolled up into the Formula Grant so is no longer paid as a separate sum.

On 14 November 2011, details were announced of the terms of a further grant scheme to support and encourage local authorities to freeze the level of their Council Tax for a further year in 2012/13. However, unlike the scheme for 2011/12, the Council Tax Freeze grant for 2012/13 will involve a single one-off payment that will not be built into the baseline for future years grants.

Authorities that set their basic amount of Council Tax for 2012/13 at a level that is no more than that for 2011/12 will receive grant equivalent to the following percentage increases:

- For police and single purpose fire and rescue authorities 3%
- For the City of London 2.75%, and
- For other principal authorities 2.5%

At this stage in the budget setting process the impact of holding the Council Tax for 2012/13 at the same level as for 2011/12 has been incorporated into the budget projections within this document. Members will need to consider the longer term financial implications of this single year support as the effect of doing so will be to increase the Council's savings requirement from 2013/14, although in 2012/13 the Council would benefit from a grant based on a 2.5% increase rather than the planned 2% increase in Council Tax included in MTS projections.

Preventing Homelessness Grant

As part of the Spending Review the Government expressed its commitment to protect homelessness grant for the period of the review, recognising that failure to prevent and tackle homelessness would result in higher costs in the longer term. The allocation of grant to the City Council for 2011/12 and 2012/13 was announced in December 2010 together with an indication from CLG that funding for 2013/14 and 2014/15 is likely to be set at a similar level. At

£575,470 per annum, this grant determination represented a significant increase in grant over previous years; the grant for 2010/11 was £401,050.

Earmarked and Specific Funds

In addition to General Reserves, the Council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has been received for a specific purpose but not yet spent. Appendix B provides details of the balances and anticipated use in 2011/12 and 2012/13 for each of the main earmarked and specific funds. The nature/purpose of each fund is described briefly below:

Repair & Renewal Funds

These funds are built up to meet the costs of major repairs and periodic replacement of assets such as vehicles, plant and equipment and Council-owned premises. Annual contributions are based on estimated replacement and repair costs, spread over the anticipated life of the assets.

Significant asset portfolios within the Council, such as the vehicle fleet or the ICT infrastructure, have medium and long-term programmes for replacements; which form part of the Council's Capital & Revenue Projects Plan. Individual items, or schemes, within these programmes are brought forward as capital bids subject to standard project appraisal and review requirements.

Developer Contributions

These are contributions made by developers towards the costs associated with their developments, for example community infrastructure. Some agreements provide for the return of contributions made, if capital projects are not carried out within a specified period.

The majority of the unspent contributions are held as capital contributions unapplied. Schemes funded from these monies, in part or in whole, will be brought forward as capital bids and subject to the review and scrutiny process applied to all capital schemes.

Climate Change Fund

A Climate Change Fund with an initial capital investment of £250,000 was agreed at Council in February 2008, with a further contribution of £250,000 being added in 2010. A further £129,050

investment is proposed in the 2012/13 budget. It is used to fund projects that will contribute to the achievement of the Council's vision of caring for the planet through climate change and carbon reduction measures.

Activities to be supported include infrastructure, equipment, feasibility studies or promotional activities that contribute towards energy and fuel efficiency, sustainable transport, waste minimisation or management of climate change risks.

Development Plan Fund

There is an ongoing need for the Development Plan Fund to enable the City Council to fulfil its statutory plan making function. The Council is required to update its Local Plan by 2014. The major investment required means that it is prudent to accrue an appropriate sum over a period of years to meet the cost.

Fixed Term Posts Costs

Where the Council appoints staff on fixed-term contracts an obligation to pay redundancy costs can result at the end of that period. To cover this eventuality the Council has established an earmarked reserve to hold contributions based on the potential liability of such posts.

Council Tax Earmarked for Growth

In recognition of the additional cost pressures that the Council faces as a consequence of significant growth in housing and population over the coming years, the Council has set up an earmarked fund against which appropriate budget bids may be made. This is shown as part of Appendix B.

As part of the work on the Growth Agenda, reviews of Council taxbase projections are undertaken, designed to identify the level of growth anticipated in excess of the standard level of 0.5% per annum, assumed in the Council's base financial model. The identified additional Council Tax yield is transferred to the fund at each year-end. In addition, the Council has budgeted for an additional lump sum contribution of £1m to be made in 2015/16.

As part of the budget setting process, budget bids that are directly attributable to growth can be made against the fund. To date, funds have been allocated to meet the initial and on-going costs of additional refuse collection rounds.

Efficiency Fund

Contributions totalling £750,000 were approved to meet bids to support the delivery of savings to the General Fund through an identified and agreed service review. The Chief Executive has delegated authority to consider and approve bids against this funding. Bids must be for one-off costs that are not funded from alternative sources. Priority is given to bids that offer the greatest level of ongoing savings.

Contributions, over a three-year period, were agreed and budgeted as part of the 2009 MTS as follows:

2010/11: £ 75,000

2011/12: £ 475,000

2012/13: £ 200,000

Technology Investment Fund

This Fund was set up to facilitate investment in projects to develop existing, and introduce new, ICT systems and infrastructure funded from the savings made on the last tender for ICT Facilities Management contract. Ongoing contributions were withdrawn from 2010/11, however residual funds remain for projects that meet the appropriate investment criteria and use of this money is currently being considered alongside use of the Efficiency Fund.

New Homes Bonus Reserve

In light of the scale of the additional funding projected from New Homes Bonus Grant and concern as to the degree to which this may be offset by top-slicing of the Council's Formula Grant in future years, it was proposed and agreed as part of the September 2011 MTS, that the additional uncommitted funding be earmarked (rather than added to general reserves) with a view to considering appropriate application at a later date. It had been anticipated that the position for 2013/14 and 2014/15 might be clarified as part of the Local Government Settlement or the Resource Review announcements but no further information has yet been announced. Therefore amounts from 2013/14 onwards, above the level required to fund existing growth related posts, have been treated as contributions to the reserve.

Taxbase and Council Tax

Taxbase

The taxbase is one element in determining both the level of Council Tax to be set and the amount it is estimated will be collected. Council formally agrees the taxbase as part of the budget setting process, although in practice the responsibility is delegated to the Director of Resources to enable notification to be made to the major precepting authorities during January each year.

The taxbase reflects the number of domestic properties in the City expressed as an equivalent number of Band D properties, calculated using the relative weightings for each property band. The calculation of the taxbase takes account of various discounts (for example a 25% discount for single adult households) exemptions and reliefs. Allowances are also made for the projected growth in the number of dwellings as well as including a deduction assumed for non-collection.

The provisional taxbase is 41,012 and details of its calculation are given in Appendix C (a) and will form the basis of the final approved level for tax setting and precepting purposes. A further review will be undertaken in early January in line with statutory requirements.

For 2012/13 a collection rate of 99% has been included in the calculations of Council Tax yield. Any sums received above this level would effectively be paid back to Council Tax payers in the following year, through the Collection Fund. If this level of collection were not achieved, the shortfall would have to be recovered from Council Tax payers in the following year, through the Collection Fund.

The Collection Fund for Council Tax is projected to have a deficit balance the end of the current year of £754,017.47, primarily as a consequence of lower levels of housing growth than originally forecast. The City Council's share of this projected year-end deficit is £87,112 and this will be taken into account in setting the Council's budget for 2012/13. As with the taxbase, this forecast will be formally reviewed in January 2012.

Growth-related Council Tax Yield

As part of the work on the Growth Agenda, the review of the Council's taxbase projections is designed to identify the level of growth that is anticipated in excess of the standard level of 0.5% per annum, which has been assumed in the base model. The latest review takes account of anticipated new housing completions over the coming years as forecast in the draft December 2011 Annual Monitoring Report.

This work has identified the amounts of Council Tax yield that relate directly to the increase in projected properties. In line with the approach to resource modelling for Growth that was originally agreed as part of the July 2006 MTS, budget proposals set out in this report assume that these sums will continue to be earmarked to fund growth-related costs.

A bid for funding for an additional refuse collection round was approved for funding from this source as part of the February 2009 Budget Setting Report. A number of further bids have been identified for funding from this source as part of the 2012/13 budget process. The overall position and remaining funding are presented in Appendix B.

Council Tax Level

Financial projections of the Council Tax level made for the MTS included the assumption of a 2% per annum increase from 2012/13, in line with the government CPI target level for inflation. However, it was agreed that the planned level of increase, and the financial impact for the Council, would be reviewed in light of the Formula Grant settlement announcement and the anticipated announcement, at that time, of the principles against which an excessive proposed increase would be measured.

Following the announcement of an additional one-off Council Tax Freeze Grant to local authorities that agree to hold their Council Tax levels for 2012/13 at no more than their 2011/12 level, the proposed levels of Council Tax for future years have been reviewed. In doing so, the Council is seeking to address the difficulties faced by some members of the community in the current economic conditions.

Projections incorporated in the BSR are based on the Council freezing the level of Council Tax for 2012/13. This will result in a reduction in the level of yield in 2012/13 of around £138,000. The Government scheme provided for a one-year only grant equivalent to an increase of 2.5%, which for the City will result in receipt of £171,597.

However this will have the effect of eroding our Council Tax base in real terms, and therefore creates greater pressure on our resources in future years. As a result, the projections reflect an increase in Council Tax in 2013/14 and future years of 2.5% (in place of the previous assumption of a 2% increase). In 2013/14, the net savings requirement has been increased by £103,230, reflecting the net additional pressure resulting from these changes (the reduction in yield resulting from the freeze in 2012/13 net of the additional increase of 0.5% in 2013/14).

These implications are summarised in the table below:

	2012/13	2013/14	2014/15	2015/16
September 2011 MTS Proposed Increase in Council Tax level	2.0 %	2.0 %	2.0 %	2.0 %
February 2012 BSR Proposed Increase in Council Tax level	0.0 %	2.5 %	2.5 %	2.5 %
Council Tax Freeze Grant re: 2012/13	£171,597			
Increase / (Decrease) required in future years ongoing Net Savings Requirement		£103,230	(£36,750)	(£36,650)

The table below shows the City Council element of Council Tax for 2011/12 for each property band together with the proposed levels for 2012/13.

Band	City Council Tax		Difference £
	2011/12 £	2012/13 £	
A	111.05	111.05	0.00
B	129.55	129.55	0.00
C	148.06	148.06	0.00
D	166.57	166.57	0.00
E	203.59	203.59	0.00
F	240.60	240.60	0.00
G	277.62	277.62	0.00
H	333.14	333.14	0.00

Section 4

General Fund Revenue Budgets

Post-MTS Approvals

There were no decisions taken between the publication of the Medium Term Strategy (as part of the October committee cycle) and publication of this document¹. Such decisions, including any made under urgency arrangements, together with financial implications would be noted here.

There are no Revenue or Capital implications to take into account in reviewing the final budget proposals.

Revised Budget 2011/12

General Fund (GF) revenue budgets for the current year (2011/12) were initially reviewed as part of the 2011 Medium Term Strategy (MTS) in September 2011. A further review is undertaken as part of the January 2012 committee cycle² and will be updated when Council reviews this report in February 2012. The current overall effects of the revised budget proposals, compared to the Original Budget, are shown in the table below.

2011/12 Revised Budget	MTS 2011 £	Jan. 2012 £
Net GF Expenditure	22,105,570	21,464,340
Variation on previously reported projection		(641,230)

¹ Subject to January Committee cycle or Executive approvals

² Subject to January Committee cycle or Executive approvals

It should be noted that the above figures include carry forward approvals from 2010/11, expenditure on posts managing and delivering the Growth Agenda (funded from NHB), significant items together with savings and unavoidable bids in the current year. Direct revenue funding (DRF) of the net re-phasing of capital expenditure from 2011/12 into future years will be incorporated in line with the updated Capital and Revenue Projects Plan and associated funding statement.

Revised Budget items have been considered by each of the scrutiny committees, in the current committee cycle, and are detailed in Appendix D. These can be summarised as follows:

Revised Budget Items	2011/12 £
Savings	(1,051,310)
Bids	410,080
Net Effect on Current Year Budget	(641,230)

The items submitted, as part of the revised budget will be analysed to ensure that any appropriate lessons can be learned for future budget management and monitoring.

Non-Cash Limit Budgets

Non-Cash Limit items are those that do not relate directly to the cost of service provision, including for example Government Grants and investment income. These are summarised in the Table below together with full details given in Appendix E.

Proposal Type	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Non-Cash Limit items	130,000	380,000	430,000	430,000

This reflects the continuing pressure resulting from the prolonged economic downturn which has resulted in further reductions in the external interest yield that the Council can expect from its investments.

Budget Proposals Summary

The budget proposals contained within this BSR document are detailed in Appendix F, and can be summarised as follows:

Proposal Type	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Unavoidable Revenue Bid	238,730	64,100	64,100	54,100
Service Reviews	(753,100)	(913,100)	(990,000)	(990,000)
Saving	(460,390)	(458,890)	(458,890)	(458,890)
Net Effect of General Fund proposals	267,240	(65,890)	(142,790)	(152,790)

Service Reviews

The Service Reviews process has been developed over recent years and identifies particular service areas for detailed evaluation. Bringing this work forward in the financial planning cycle means that approval for change and implementation thereof can be more readily incorporated within the budget process.

At the time of publication of the September 2011 MTS the projected level of savings in 2012/13 from Service Reviews was identified as £1,250,000. Subsequently, further work as review work progressed identified the need to reschedule some of these savings into future years, to reflect timing implications of the changes to services being proposed. This resulted in a reduction of £395,160 in the target level for 2012/13, with corresponding increases of £340,160 and £55,000 in the targets for 2013/14 and 2014/15 respectively. At the same time a review which had originally been anticipated as being deliverable in 2013/14 was identified as being able to be delivered as part of the 2012/13 review work.

The following table summarises the level of net savings resulting from the current year's Service Review work, and compares this to the original projected target level.

Description	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Projected Net Savings	(1,253,250)	(1,253,250)	(1,253,250)	(1,253,250)
BSR Proposals	(753,100)	(913,100)	(990,000)	(990,000)
Underachievement against forecast	500,150	340,150	263,250	263,250

This shows that, as last year, a number of reviews will not deliver the full level of cost reductions in the first year, hence the £753,100 delivered in 2012/13 rises to a level of £990,000 from 2015/16. This increase in the level of net savings in future years reflects part-year effects in the early years as well as initial costs of change.

Although the table shows that the original anticipated level of savings forecast has not been delivered, the following table reconciles the actual figures to the original target.

Service Review Reconciliation		Ongoing Level of Net Savings £
	Service Review Target for 2012/13 (per Sept 2011 MTS)	1,253,250
<i>less</i>	Actual savings included in Sept 2011 MTS	(87,000)
	Revised Service Review Target for 2012/13	1,166,250
<i>add</i>	Service Review Targets brought forward from future years	80,000
	Revised Service Review Target for 2012/13	1,246,250
<i>less</i>	Service Review targets re-profiled to future years	(395,160)
	Revised Service Review Target for 2012/13	851,090
<i>less</i>	Ongoing level of savings in Feb 2012 BSR	(990,000)
	Achievement against Revised Service Review Target for 2012/13	(138,910)
<i>Made up of:</i>		
	Over-achievement on 2012/13 targets	(157,090)
	Elements of individual 2012/13 targets not achievable	18,180

This demonstrates that there has been an overachievement against the revised level of target savings for 2012/13, when based on the final ongoing levels.

The contribution of Service Reviews to the overall level of savings has been significant (ranging from 62.1% in 2012/13 to 68.3% in 2015/16), and is greater than the overall level of net savings in both 2012/13 and 2015/16.

This serves to confirm the significant role of the Service Review process, and the robustness of the methodology. It is planned as part of the related work in 2012/13 to undertake an overview to ensure that all service areas have been appropriately considered as part of the Service Review process. This will feed in as part of the plans in the September 2012 MTS.

Performance Against Savings Target

As in the 2011/12 budget process, a Cash Limit for the General Fund as a whole has been adopted, rather than Cash Limits for each Portfolio. This reflects the significant contribution to the savings requirements which is being delivered through the Council's Service Review process.

The following table summarises the level of net savings which are being proposed by each of the Portfolios, and compares this to the overall net savings target for the whole General Fund. A more detailed comparison is included at Appendix F.

Cash Limit or budget adjustments have been reported to service scrutiny committees, as appropriate, and are included in the projections.

Portfolio	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Net Savings Requirement (MTS Sept 2011)	1,242,000	1,242,000	1,242,000	1,242,000
Arts, Sport & Public Places	67,130	(7,870)	(7,870)	(7,870)
Community Development & Health	(183,910)	(230,910)	(230,910)	(240,910)
Customer Services & Resources	(432,470)	(454,000)	(530,900)	(530,900)
Environmental & Waste Services	(203,500)	(294,000)	(294,000)	(294,000)

Portfolio	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Housing	(71,410)	(71,410)	(71,410)	(71,410)
Planning & Sustainable Transport	(124,350)	(204,350)	(204,350)	(204,350)
Strategy & Climate Change	(26,250)	(45,350)	(45,350)	(45,350)
Net performance against Cash Limit	267,240	(65,890)	(142,790)	(152,790)

This shows that the Cash Limit has been achieved for 2013/14 and subsequent years, with an ongoing overachievement of the net savings requirement from 2015/16 of £152,790. The inability to meet the Cash Limit for 2012/13 reflects a higher level of pressure from unavoidable revenue bids in that year, together with the part-year effects of savings measures which are proposed. In practice, it will be possible to meet the shortfall against the Cash Limit target from the net underspend projected for 2011/12 (as identified in the Revised Budget section above).

Bids for External or Earmarked Funds

As set out in Section 3, in addition to General Reserves, the Council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has been received for a specific purpose but not yet spent. Appendix H provides details of the bids against these funds, or to external funding sources, as part of the 2012/13 budget process.

The affordability of these bids is demonstrated in the statement of fund balances contained within Appendix B.

Overall Budget Position and Priority Policy Fund (PPF)

Overall Budget Position

The overall impact of the factors considered above in the context of the Cash Limit established in the September 2011 MTS is set out below:

Proposal Type	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Net Savings Requirement (per MTS Sept 2011)		1,242,000	1,242,000	1,242,000	1,242,000
2011/12 Revised Budget	(641,230)				
Unavoidable Revenue Bid		238,730	64,100	64,100	54,100
Service Reviews		(753,100)	(913,100)	(990,000)	(990,000)
Saving		(460,390)	(458,890)	(458,890)	(458,890)
Net Position (Under) / Over Cash Limit	(641,230)	267,240	(65,890)	(142,790)	(152,790)
Non-Cash Limit items	0	130,000	380,000	430,000	430,000
Overall Net Position Against Cash Limit (Under) / Over	(641,230)	397,240	314,110	287,210	277,210

This reflects the significant impact on the extended period of the economic downturn which is currently forecast, through the reduction in the levels of external interest receipts that the Council can earn.

The implications of this position are as follows:

Proposal Type	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Overall Net Position Against Cash Limit (Under) / Over	(641,230)	397,240	314,110	287,210	277,210
Applied through:					
Net Position for 2011/12 and 2012/13 Available to support capital spending		(243,990)			
Increase / (Decrease) required in future years ongoing Net Savings Requirement			314,110	(26,900)	(10,000)

This identifies the need for a net increase in the ongoing Net savings Requirement for 2013/14 of £314,110 in order to offset the adverse effects of the extended period projected for the economic downturn.

Review of PPF Funding

The General Fund PPF provides an effective means of enabling the redistribution of resources within the overall cash limit, in recognition of priorities identified through the Council's Vision for the City, the medium term programme and public budget consultation.

The September 2011 MTS provided funding for PPF Bids of £500,000 per annum for 2012/13 and future years. Part of this review involves considering the affordability of this assumption in light of the outcome of the review of other factors impacting the overall budget position, detailed above as well as the context of the bids made for this source of funding.

The current list of PPF Bids is shown in Appendix I. In reviewing PPF Bids for approval, the Council's process requires that consideration is given to the relative value PPF Bids compared to the additional Savings that their inclusion would require.

In addition, all bids have been considered in respect of their impact in terms of Climate Change, and the ratings for the PPF Bids have been considered by the Environmental Strategy Group (ESG). The priority ratings for budget proposals as recommended by the ESG are detailed in Appendix I.

Priority Policy Fund 2012/13	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Funding available	(500,000)	(500,000)	(500,000)	(500,000)
Bids into Fund	378,620	300,120	195,720	179,720
Shortfall / (Unused) Funding	(121,380)	(199,880)	(304,280)	(320,280)

The relatively modest level of PPF Bids submitted as part of this year's budget process appears to reflect awareness of the need for restraint in the current financial climate and the relative value of additional bids when compared to the further savings that would need to be identified. This would seem to be supported by the fact that only High priority bids have been submitted as part of this year's budget process.

Given the level of PPF Bids received, the following analysis is based on retaining sufficient PPF funding to allow for the potential for all such bids to be approved. The unused level of funding

from 2013/14 onward would be available to reduce the Net Savings Requirement in those years, whilst the unused funding in 2012/13 could be used to support capital spending.

The effects of this would be as follows:

Priority Policy Fund 2012/13	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Shortfall / (Unused) Funding	(121,380)	(199,880)	(304,280)	(320,280)
<i>Applied through:</i>				
Use to reduce ongoing Net Savings Requirement in - 2013/14		199,880		
- 2014/15			104,400	
- 2015/16				16,000
Use to support capital spending	121,380	0	0	0

Review of Future Net Savings Requirements

A key part of the BSR is to update the projection of the requirements for net savings to be achieved in future years, as the basis for considering their achievability.

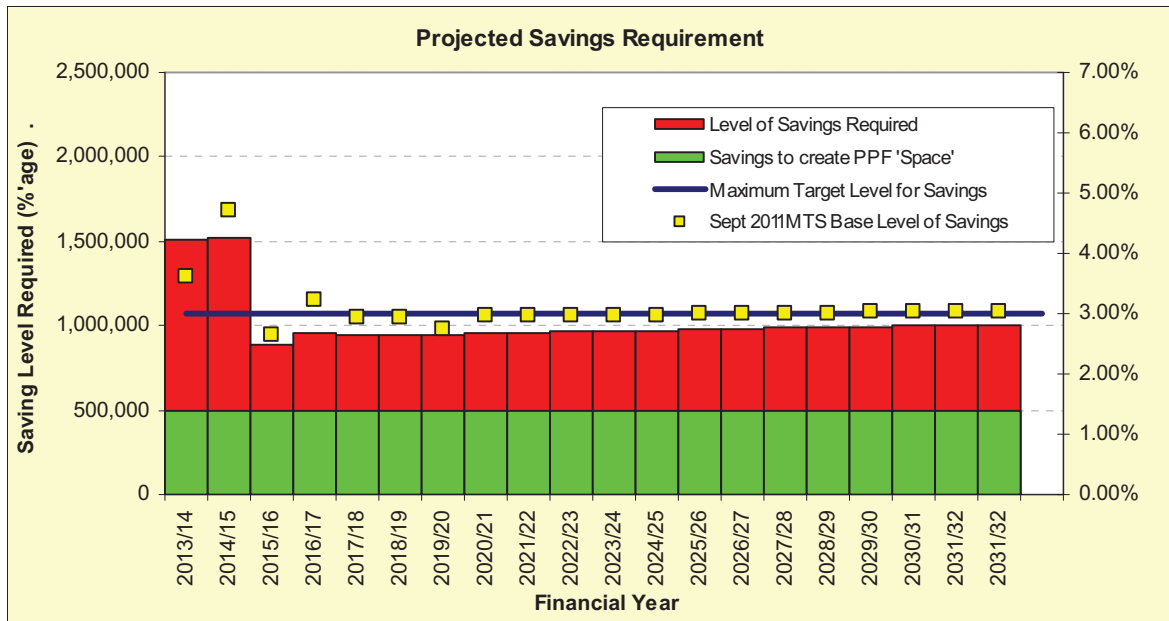
The review of factors undertaken above requires a number of adjustments to be made to the projection of future Net Savings Requirements which had been identified in the September 20121 MTS. These are as follows:

Net Savings Requirements	2013/14 £	2014/15 £	2015/16 £
Net Savings Requirement (per Sept 2011 MTS)	1,287,860	1,683,310	950,000
<i>Adjusted for:</i>			
Adjustment resulting from position against 2012/13 Cash Limit	(65,890)	(76,900)	(10,000)
Sub totals	1,221,970	1,606,410	940,000
Reduced to reflect unapplied 2012/13 PPF funding provision in:			
- 2013/14	(199,880)		
- 2014/15		(104,400)	
- 2015/16			(16,000)
Sub totals	1,022,090	1,502,010	924,000
Increase required to offset net Non-Cash Limit items	380,000	50,000	0
Sub totals	1,402,090	1,552,010	924,000
Increase required to offset effect of 2012/13 Council Tax freeze	103,230	(36,750)	(36,650)
Revised Net Savings Requirement	1,505,320	1,515,260	887,350

This shows that the Cash Limit process has enabled the Council to reduce the ongoing Net Savings Requirement in each of the years from 2013/14 to 2015/16. However, this has been more than offset in 2013/14 by the need to increase the requirement to meet the effects of Non-Cash Limit items (primarily the reduced external interest receipts) and to manage the effects of the 2012/13 Council Tax freeze (given that the Government grant support lasts only for one year).

This leaves the Council with two years at a level of around £1.5m of ongoing savings to be identified, before the requirement falls back to around £1m (as envisaged in the existing long-term financial strategy).

This can be seen graphically below:



In considering the achievability of these levels of Net Savings Requirement it is important to note that:

- Each year includes provision for £500,000 of ongoing PPF funding. This could be foregone, in whole or part, to reduce the Net savings Requirement in any year.
- The Service Review process has consistently delivered significant contributions towards savings requirements. The latest projections for savings that will result from the Service Reviews which are scheduled to be undertaken during 2012/13 suggest that those which can currently be quantified should deliver around £700,000 in savings. It is expected that additional Service Reviews will be identified during the year which will add to this position.

On this basis the resulting Net Savings Requirements are deemed to be realistic and achievable.

Section 5

HRA Revenue

Changes to HRA Funding

Following recent changes in law as part of the Localism Bill, the current system for financing local authority housing, the national Housing Revenue Account (HRA) Subsidy System will be replaced with a new system, known as Self-Financing.

Under the new system, the government will place a value on each local authority's housing business over a 30-year period, resulting in the need for Cambridge City Council to take on a prescribed level of debt in return for being able to retain all HRA revenue streams, to fund local housing services and also service the debt taken on.

Recognising the major change that the Housing Revenue Account will see from April 2012, when self-financing is introduced, a special joint Housing Management Board (HMB) and Community Services meeting will take place on 8th February 2012, to consider the final budget, a 30-year Business Plan and Asset Management Plan for the Housing Revenue Account, incorporating the financial impact of the final debt settlement figure, which is anticipated by the end of January 2012.

Council will consider the recommendations of the special HMB and Community Services meeting on 23rd February 2012.

Post MTS Approvals

There were no decisions taken between the publication of the Medium Term Strategy (as part of the October committee cycle) and publication of this document. Such decisions, including any made under urgency arrangements, together with financial implications would be noted here.

There are no Revenue or Capital implications to take into account in reviewing the final budget proposals.

2011/12 Revised Budget

Housing Revenue Account revenue budgets for the current year (2011/12) were initially reviewed as part of the 2011 Medium Term Strategy (MTS) in September 2011. A further review is undertaken as part of the January 2012 committee cycle and on this occasion again at a special meeting of HMB and Community Services on 8th February 2012. The budget will be updated when Council reviews this report later in February 2012.

The current overall effects of the revised budget proposals, compared to the Original Budget, are shown in the table below.

2011/12 Revised Budget	MTS 2011 £	Jan. 2012 £
Net HRA Use of / (Contribution to) Reserves	1,229,100	1,129,730
Variation on previously reported projection		(99,370)

Major variances have been identified and incorporated in the following areas:

- HRA General (£63,070) – Savings in consultant costs where audit fees for the HRA have reduced significantly and in training and office running costs (printing, postage, stationery, bank charges), resulting from a reduction in the number of staff directly employed in the HRA.
- HRA Special (£80,250) – Predominantly a reduction in employee costs due to intentionally holding vacancies to meet the reduction in costs required by Supporting People from April 2011. This underspend is directly offset by an underachievement in income from Supporting People. Electricity costs in communal areas are also less than budgeted, with the impact of introducing Smart Meters now apparent.
- HRA Repairs (£5,000) – The budget for housing occupational therapy costs is less than anticipated, with a corresponding saving also proposed in this budget going forward.

- HRA Summary Account £48,950 – Predominantly due to a reduction in the support income from Supporting People and in the income generated by HRA garages due to increased void levels. This reduction in income is partially offset by an over-achievement in service charge income from tenants and leaseholders, with the tenanted element due predominantly to a reduction in void sheltered properties as the refurbishment programme nears completion. An over-achievement in rental income in 2011/12 is more than offset by the inclusion of funding to arrange the borrowing required for self-financing.

Further changes to the Housing Revenue Account revised budget for 2011/12 may be included as part of the report to the special meeting of HMB and Community Services on 8th February 2012, when the final self-financing debt settlement is available. Following receipt of specialist financial advice in respect of the borrowing, and notification of the final debt settlement figure, there may be a requirement to incorporate into the revised budget for 2011/12 the impact of any changes in assumptions about the borrowing required on 28th March 2012, in terms of amended arrangements fees, the interest due and the debt itself, all of which will impact the current financial year.

Review of Charges

Proposals for the review of charges for the Housing Revenue Account will be presented to HMB in January 2012. The effects of any proposed changes have been included in the base budget projections.

The Draft Housing Revenue Account Self-Financing Debt Settlement for April 2012 assumes that local authority guideline rents will increase rents in line with current rent restructuring policies. The level of debt which Cambridge City Council will be required to take on from 28th March 2012 is based upon the assumption that guideline rents at a local level will be increased by an inflation factor of 5.6% (RPI at September 2011) as the base rate, plus 0.5%, plus a move towards target rent by 2015/16, limited to an additional £2.00 per property per week.

Taking into account the above rent guidelines, Cambridge City Council would see an overall increase in guideline rent of 7.9% from April 2012. This in turn drives the increase that local authorities apply to actual rents.

Cambridge City Council has always set rents for tenants in line with government guidelines, to move towards target rents within the government intended timescales. Where the opportunity has arisen, within these guidelines, to limit or minimise rent increases, this has always been acted upon and implemented at a local level.

Taking into account the limit on individual rent increases of inflation (for 2012/13 this is 5.6%) plus 0.5% plus £2.00 per week, and an intended rent convergence date of April 2015, a significant increase in individual rents from April 2012 will again be necessary. Rent convergence will not be achieved at a local level across the entire housing stock for many years, with approximately 150 dwellings still not having achieved convergence in 15 years time, assuming the existing constraint upon rent increases continues to apply. The average rent increase for Cambridge City Council tenants for 2012/13 will be 8.3% or approximately £6.73 per week.

In calculating the level of debt that Cambridge City Council will be required to take on from 28th March 2012 as part of the self-financing valuation, government have made some key assumptions, one of which is:

“Assumed rental income: As described in both the February and July 2011 policy documents, national social rent policy is that rents in the council housing sector should converge with those charged by housing associations by 2015-16, followed by rent rises at RPI + 0.5% per year after this, in line with housing associations. In valuing each local authority's housing business we have assumed adherence to this rent policy”.

Based upon the Draft HRA Self-Financing Debt Settlement Determination, the level of debt that Cambridge City Council will be required to take on, will be £214,384,000. Government make the assumption that in order to support this level of debt, whilst still managing and maintaining decency in the housing stock, Cambridge City Council will adhere to the national rent setting guidelines. Any local decision to deviate from this assumption, will have no impact on the level of debt that is required to be supported locally, but will instead reduce the resource available to manage, maintain or improve the existing housing stock and limit any opportunity to borrow further to increase the supply of affordable housing in the city.

Budget Proposals Summary

As in the 2011/12 budget process, a Cash Limit for the Housing Revenue Account as a whole has been adopted.

The net financial impact for the Housing Revenue Account of the bids and savings proposed as part of the budget process to date is summarised below.

Proposal Type	2012/13 £	2013/14 £	2014/15 £	2015/16 £
HRA General Savings Requirement (3%)	172,130	172,130	172,130	172,130
HRA Repairs Savings Requirement	15,470	15,470	15,470	15,470
HRA PPF Funding	(75,000)	(75,000)	(75,000)	(75,000)
Reduction in Net Expenditure Required – HRA Cash Limit	112,600	112,600	112,600	112,600
HRA Budget Proposals:				
Unavoidable Revenue Bid	202,890	214,890	214,890	214,890
Revenue Bids	37,580	37,580	37,580	37,580
Service Review Savings	(95,600)	(107,600)	(107,600)	(107,600)
Saving	(304,270)	(304,270)	(304,270)	(304,270)
PPF Bids	(23,720)	129,130	48,560	48,560
Net Effect of HRA Proposals	(183,120)	(30,270)	(110,840)	(110,840)
Under / (Over) Achievement against HRA Cash Limit	(70,520)	82,330	1,760	1,760

As with the revised budget for 2011/12, there will be further changes to be incorporated in the report presented to a special HMB and Community Services on 8th February 2012. These changes will be in respect of the removal of HRA negative subsidy, the impact of proposed rent increases for 2012/13, the reflection of any principal repayment of debt and amendments to interest paid and received, in light of the final HRA self-financing determination and resulting debt valuation.

Service Reviews

The service review process is being managed organisationally, with each service review recognising the potential impact of change in respect of both the Housing Revenue Account and General Fund.

Savings delivered to the HRA as a result of service reviews are being incorporated into the longer-term financial planning for the HRA as they are identified by services, and contribute to the savings requirement for the HRA from this point.

Section 6

Capital

Introduction

As outlined in Section 6 of the Medium Term Strategy [MTS September 2011], the Council has a wide ranging asset portfolio including council housing, substantial areas of common land as well as assets for direct service provision such as swimming pools, community centres, car parks and the Corn Exchange. There are also vehicles and equipment such as waste collection, grounds maintenance and building repairs vehicles.

In addition to the assets used for service provision, the Council has a varied portfolio of commercial property and shops including business units aimed at small and start-up businesses. Each asset needs to provide an appropriate return on the investment made by the Council and also be fit for the purpose for which it is used.

The budget process provides an opportunity for Heads of Service to review their operational asset base and bid for funding for projects planned to be undertaken during the forthcoming financial year ending 31 March 2013.

Monitoring

The Asset Management Group (AMG) reviews the current asset base, proposals for additional assets and maintains an overview of the agreed capital asset disposal programme. AMG also reviews achievements against targets for the current Capital & Revenue Projects Plan based on monthly monitoring reports. These are based on a simple 'traffic light' approach which indicates whether schemes are progressing to budget and timetable. Reports are produced monthly for departments with an overview being scrutinised by AMG and Strategic Leadership Team (SLT) enabling early identification of projects which are slipping against the original scrutiny committee approval.

Making Assets Count

The 'Making Assets Count' (MAC) work stream of 'Making Cambridgeshire Count' has undertaken work to map and analyse the usage of all the assets owned by each partner organisation, of which the City Council is one. This has enabled a far better understanding of the wider public sector estate across the county area, providing the opportunity to identify joint projects which could produce significant savings by combining, sharing and selling assets.

Work through MAC has helped to deliver the scheme for Seymour House, and there is currently joint feasibility work being undertaken to consider the potential for a shared operations centre in the south of the county, which could provide an alternative to the current depot sites for a number of partners.

MAC is looking to develop a shared public sector asset management strategy which will facilitate effective collaborative working. This will enable the identification of further opportunities to rationalise and enhance the public sector estate.

"There are many organisations actively working on different ways to use assets and funding sources, working more collaboratively with public, private and third sector organisations and generally challenging the traditional approaches to service delivery and asset management.

Innovation needs to be encouraged if we are to deliver real improvements in these challenging times."

David Bentley – CIPFA Property

National Asset Management Planning National Conference (November 2011)

Accommodation Strategy

The Council maintains offices throughout the city and an ongoing review is underway to consider the best use of our administrative buildings – whether owned or rented. This review is linked to work to determine the most appropriate working practices for the Council in the future, such as remote working.

Some budget bids reflect the use of accommodation throughout the Council's portfolio, including the Depot at Mill Road and The Guildhall where space is let to both public and private sector organisations.

Asset Disposal

The Council has a small portfolio of development land that could be sold to generate significant capital sums. This will fulfil two objectives, firstly to provide land for commercial or housing development to meet the growth requirement within the city; secondly to provide funds for reinvestment to ensure that strategic objectives can be met.

Receipts from the disposal of capital assets are only recognised in the Council's reserves when received and after all relevant costs have been provided for.

The Council also maintains a register of strategic acquisitions that could be funded from the sale of capital assets or from other available funds.

Anticipated disposal	Fund	Asset	Comment
2012/13	General	Site K1, Orchard Park	Proposal for self build being investigated
2013/14	General	Land at Clay Farm, Trumpington	Within Southern Fringe development, subject to Collaboration Agreement with adjoining land owner
2015/16	General	Former Park & Ride Site and Golf Driving Range, Cowley Road	Subject to Local Plan Review Process

Capital & Revenue Project Bids

Capital & Revenue Project bids are shown in detail in Appendix O. Sources of funding include:

- Earmarked & Specific Funds (e.g. Repairs & Renewals)
- External funding (e.g. Grants, National Lottery)
- Developer Contributions
- Capital Receipts
- Reserves

Capital & Revenue Projects Plan

Project delivery is formally reviewed biannually in September (as part of the MTS) and January (as part of the BSR). Part of the review process is identifying the need to re-phase budgets, and the associated use of resources, into the financial years in which it is anticipated that expenditure will be incurred. Re-phasing requests are formally submitted to Council in October and February each year. The Current Capital and Revenue Projects Plan is shown in detail in Appendix M. A review of the current plan has led to the identification of a number of re-phasing requests; these are detailed in Appendix N.

Financing

Availability of Capital & Revenue Projects Funding

A key aim arising from the September 2011 MTS was to seek to identify a level of funding for the Council to be able to respond appropriately to a number of capital financing pressures, including Park Street Car Park which was on the Hold List.

The review of factors detailed above has served to identify a range of additional sums which could be used to support capital spending. This has had the following impact on the level of available capital funding:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Funding available and unapplied (per Sept 2011 MTS)	(160)	(943)	(1,098)	(1,093)	(1,380)
<i>Adjusted for:</i>					
Net Cash Limit underspend 2011/12 and 2012/13		(121)			
2012/13 PPF funding not applied		(244)			
Unapplied balance of 2012/13 New Homes Bonus funding		(703)			
Use of GF reserves down to £5m target level		(241)	(70)	(954)	318
Revised Capital funding availability	(160)	(2,252)	(1,168)	(2,047)	(1,062)

This provides the context for considering the affordability of the Capital bids which have been submitted as part of the 2012/13 budget process, as shown below:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Revised Capital funding availability	(160)	(2,252)	(1,168)	(2,047)	(1,062)
Capital bids	(224)	1,399	2,083	1,883	200
(Surplus) / Shortfall in Funding	(384)	(853)	915	(164)	(862)
<i>Cumulative cashflow effect</i>					
Cumulative cashflow effect		(1,237)	(322)	(486)	(1,348)

This demonstrates that, although the spending requirement is very uneven (reflecting, in particular, the projected costs of the refurbishment works to the Park Street Car Park) the funding available is sufficient to allow all of the bids to be approved if they are deemed to be appropriate and necessary.

The projections in the remainder of the BSR assume, at this stage, that all of the capital bids are approved.

Hold List

The Council maintains a Hold List for Projects that have been approved but are awaiting funding. The single item on the Hold List from 2007 (Park Street Car Park Refurbishment) has now been removed, as it is the subject of a bid into the 2012/13 Budget process (C2958).

Six items have been transferred to the Hold List from the Arts, Sport & Public Places portfolio's Capital & Revenue Projects Plan pending final agreement of funding sources.

Ref.	Proposed Scheme / Portfolio	Cost to CCC	Funding Source		
Arts, Sport & Public Places			Reserves	R&R	Other
SC453	Upper River Cam Biodiversity Project	£118,000	x	x	✓
SC455	Logan's Meadow LNR Extension	£188,000	x	x	✓
SC465	Upper River Cam Biodiversity Public Art	£29,000	x	x	✓
SC472	Cherry Hinton Hall Vending Kiosk	£15,000	x	x	✓
SC473	Cherry Hinton Hall Pond & Lake Restorations	£25,000	x	x	✓
SC475	Nightingale Recreation Ground Pavilion Refurbishment	£18,000	x	x	✓
TOTAL		£393,000			

HRA / Housing Capital

In light of the major changes to funding for housing from April 2012, a complete review of the Housing Capital Plan will be presented to the special meeting of HMB and Community Services on 8th February 2012, alongside / as part of the HRA Business Plan and Asset Management Plan. The review will include the impact of any changes investment requirements in the housing stock, any re-phasing of existing capital budgets and will incorporate the impact of any capital bids identified as part of the 2012/13 budget process.

Early consideration will be given to capital bids and savings proposed as part of the 2011/12 revised and 2012/13 original budget process, and are summarised below:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Capital Bids – Requiring Funding	0	3,634,970	330,000	330,000	0
Capital Bids – Existing Funding	10,000	0	0	0	0
Capital Savings	(208,000)	0	0	0	0
Net Capital Bids	(198,000)	3,634.970	330,000	330,000	0

Potential Need for Prudential Borrowing

The Council has been debt-free since 2003, when it took advantage of the then capital controls to repay external debt giving benefits to both the General Fund and HRA. Since changes in the capital finance system the basis for the move to debt-free status has been changed and there is no

Under the Governments draft HRA Self-Financing Debt Settlement Determination, the Council will need to undertake significant borrowing in order to fund the payment of £214,384m to the Government on 28 March 2012 as part of the change to the new self-financing system for the HRA.

In addition to borrowing to finance the initial debt take-on as part of self-financing the Council will be able to undertake additional prudential borrowing for the HRA up to a Government determined limit. Based on the figures in the draft determination, this would provide the opportunity to borrow around a further £16m. Any decisions leading to actual requirements for borrowing would be subject to individual business cases.

In addition, there are a number of other areas where the Council may choose to use prudential borrowing as the most appropriate means of financing new capital requirements:

- **Clay Farm Community Facilities** - a separate report will be considered in the current scrutiny committee cycle providing an update on the project to provide community facilities as part of the Clay Farm development. It is currently anticipated that the

Council will take-on the lead role in the provision of these facilities, and it is estimated that this may involve the need to borrow around £2.8m initially.

- **Clay Farm Collaboration Agreement** - under the agreement the City and other development partners, will be required to contribute to the shared cost of providing infrastructure in order to facilitate development of the site. Work is being undertaken to finalise the anticipated amounts and timing of such payments, but it is anticipated that these are likely to precede the point at which the City disposes of its land interest, and so the capital receipt may well not be available to fund these costs. In such a case, consideration would be given to the need for short-term prudential borrowing as a means of financing the collaboration agreement costs until the receipt is achieved.
- **Ditchburn Place** – The BSR includes an HRA capital bid of £3.075m for the potential refurbishment of the extra care housing at Ditchburn place. The bid assumes funding by prudential borrowing against the headroom expected to be available under the self-financing regime.

These items have formed part of the consideration in setting the prudential borrowing limits set out in Appendix T (a) as part of the treasury management strategy. This is considered in more detail in Section 7.

Section 7

Treasury Management

Introduction

Treasury Management is defined as:

“ The management of the local authority's deposits and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

It is a statutory requirement for the Council to produce a balanced budget and to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

- Increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Statutory Requirements

The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital deposit plans are affordable, prudent and sustainable.

The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act and included as Appendices to this report). This sets out the Council's policies for managing its deposits and for giving priority to the security and liquidity of those deposits.

The Council has regard to the investment guidance issued by the Department of Communities and Local Government and that set out in the revised CIPFA Treasury Management Code of Practice 2011.

CIPFA Requirements

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2011) was received by this Council on 15 November 2011.

The primary requirements of the Code are as follows:

- creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;
- creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives;
- receipt by the full council of an Annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year;

- delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions; and;
- delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Strategy & Resources Scrutiny Committee.

Treasury Management Strategy for 2012/13

The suggested strategy for 2012/13 is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, SECTOR Treasury Services Ltd. The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- prudential and treasury indicators;
- the current treasury portfolio;
- the borrowing requirement;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- the deposit strategy;
- creditworthiness policy;
- policy on use of external service providers; and;
- the MRP policy.

The Council's Reporting Framework

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Strategy and Resources Scrutiny Committee.

Prudential and Treasury Indicators and Treasury Management Strategy

The first, and most important report covers the capital plans (including prudential indicators); a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time); the Treasury Management Strategy (how the deposits and borrowings are to be organised) including treasury indicators; and an investment strategy (the parameters on how deposits are to be managed).

These elements of the overall strategy are attached to this report as Appendices T(a), T(b) & T(c) and together constitute this report.

An explanatory note on Prudential and Treasury Indicators is included in Appendix T(a) with Annex 1

A Mid-Year Treasury Management Report

This updates members with the progress of the capital position, amending prudential indicators as necessary, reports whether the treasury practices are meeting the strategy and indicates if any policies require revision.

An Annual Treasury Management Report

This provides details of a range of actual prudential and treasury indicators and actual treasury operations, for the previous financial year, compared to the estimates within the strategy.

Monthly updates

In addition, the Leader and Executive Councillor for Customer Services and Resources receive a monthly update on treasury activity.

It is recommended that the Council note the Prudential Indicators as set out in Appendix T(a) and approve the Annual Borrowing and Investment Strategies in Appendices T(b) and T(c)

Section 8

Summary and Overview

Equalities Impact Assessment, Uncertainties and Risk Assessment

In meeting the adopted principles of prudence and sustainability, a key consideration is the level of risk and uncertainty faced by the Council. This is particularly an issue in light of the current economic environment.

Equalities Impact Assessment

Under equality legislation, local authorities have legal duties to pay 'due regard' to the need to eliminate discrimination and promote equality with regard to race, disability and gender, including gender reassignment, as well as to promote good race relations. The Equality Act 2010 introduced a new public sector duty that extends this coverage to age, sexual orientation, pregnancy and maternity, and religion or belief.

The law requires that this duty to pay 'due regard' be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard'.

As a key element of considering the changes proposed in this Budget Setting Report, an Equality Impact Assessment will be undertaken covering all of the Budget 2012/13 proposals. This will be included in version 2 of this report in Appendix W.

The assessment will identify the impact that financial proposals could have on equality groups, together with mitigation arrangements. It will also include an action plan identifying how disadvantage or negative impact can be addressed, together with timescales and details of lead officers.

Section 25 Report

Section 25 (s. 25) of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) must report to the authority, when it is making the statutory calculations required to determine its Council Tax or precept, on the following:

- The robustness of the estimates made for the purposes of the calculations, and
- The adequacy of the proposed levels of financial reserves.

The majority of the material required to meet the requirements of the Act has been built into the key reports prepared throughout the corporate budget cycle, in particular:

- The Medium Term Strategy 2011
- The budget reports to the January cycle of meetings (including revised budgets for 2011/12) and Portfolio Plans also to be reported in the January 2012 cycle.

This reflects the fact that the requirements of the Act incorporate issues that the Council has, for many years, adopted as key principles in its financial strategy and planning; and which have therefore been incorporated in the key elements of the corporate decision-making cycle.

This also reflects the work in terms of risk assessment and management that is built into all of the key aspects of the Council's work.

The Section 25 report will be included in the final version of this document at Appendix X.

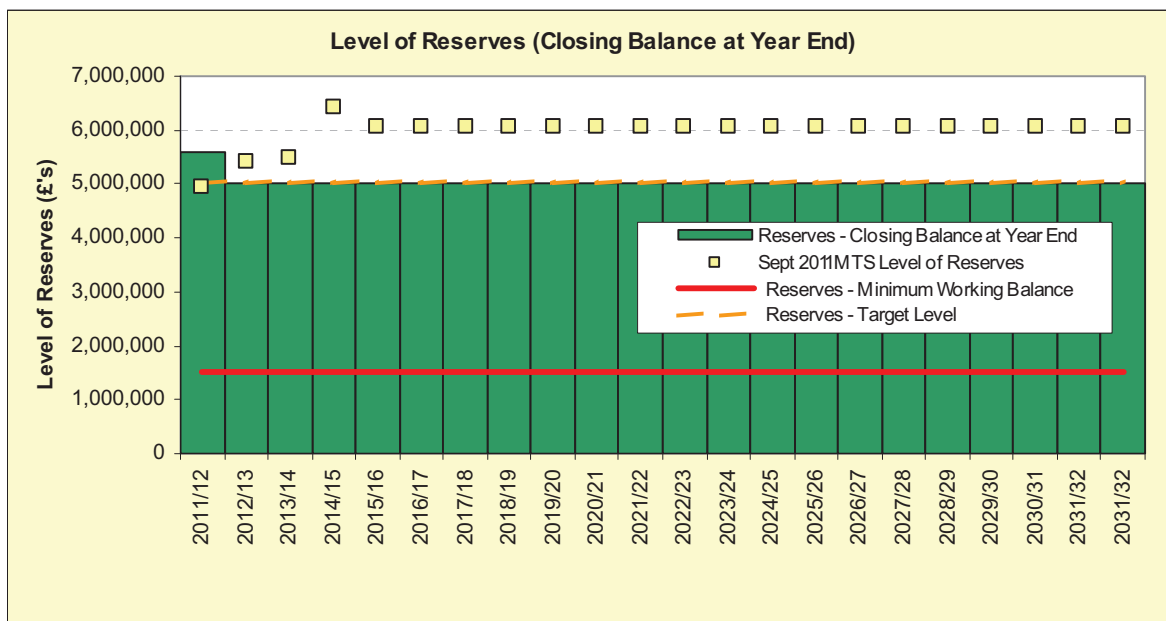
Overall Spending Plans, Funding and Reserves

In considering the sustainability of the Council's expenditure plans a key factor is the level of reserves which are likely to be available to the Council and their ability to support the underlying level of expenditure in the long term.

General Fund

Based on the projections within this report, a revised anticipated need to use reserves and the resultant reserves profile has been calculated for the full 25-year model. This is shown for the 5-year MTS period in Appendix G (c).

The projection through to 2016/17 is shown graphically below:



This reflects a planned use of reserves to support capital spending, in order to bring the reserves level down to the Target level of £5m over the medium and long-term.

The longer-term projection is important, as it demonstrates the sustainability of the Council's financial strategy and the fact that uneven cost pressures faced by the Council in the short and medium-term can be effectively managed.

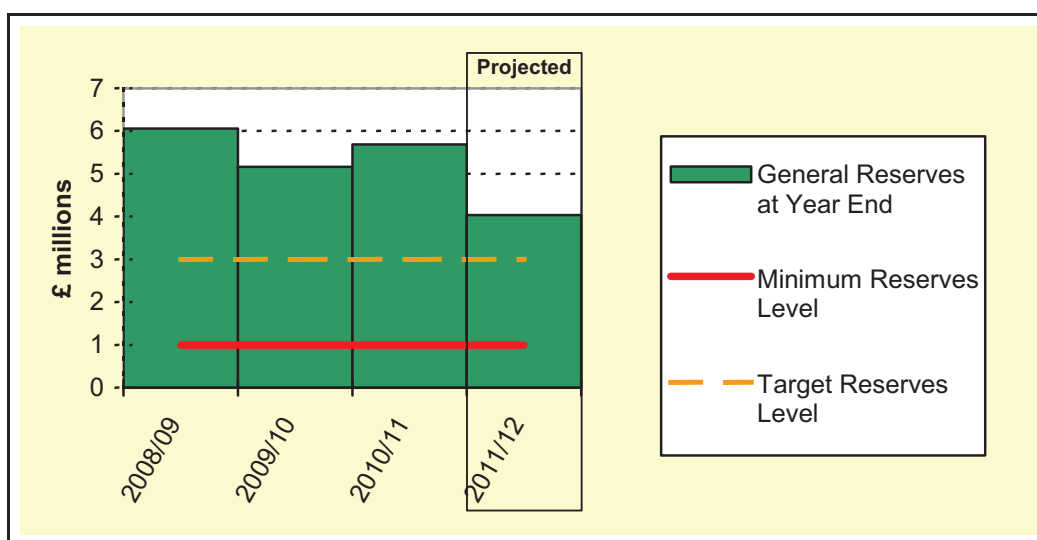
General Fund reserves are also used to support the Council's Capital Plan, and this effect also has to be taken into account when considering the long-term impact on the reserves position; and hence the ability to ensure the sustainability of the Council's policies and services.

As part of the work to develop the BSR consideration has been given to the appropriateness of the Minimum and target levels set for General Fund reserves. At this time no changes are proposed to these levels.

The reserves projections are based on the expectation that the Council will be able to achieve the Net Savings Requirements identified in each of the years from 2013/14.

Housing Revenue Account (HRA)

Based on the projections in Section 5 of this report, a revised anticipated need to use reserves in 2011/12 and the resultant reserves profile has been calculated for the HRA. This is shown graphically below:



The current HRA forecast contains the assumption that balances will be reduced, by making additional direct revenue financing (DRF) of capital contributions, down to the target of £3m over the medium-term. The position, however, may look very different in the forthcoming business plan, with the financial impact of self-financing incorporated.

As part of the work to develop the new Business Plan which is required to support the new Self-Financing HRA consideration has been given to the appropriateness of the Minimum and Target levels set for HRA reserves in light of the significant risk transfer from central to local government which the new system implies. This will result in a formal proposal to revise the levels as part of the Business Plan report which will be considered at the special joint Housing Management Board (HMB) and Community Services meeting will take place on 8th February 2012.

Future Issues and Prospects

The Council's corporate planning and decision-making cycle, and the adoption of a MTS, reflect the need for continuity of approach in order to deliver against the Council's visions and objectives.

The next stage in this ongoing process will be the production of the September 2012 MTS. This will provide an opportunity to identify and consider the implications of any new or developing issues and projects.

Key areas are currently anticipated to include:

- a) **Growth Agenda** - work is continuing to review timescales in light of the impact of the current economic recession and in the wake of the substantial downturn in the housing market. The Council is continuing to work with partner organisations to plan and bring forward key elements of the Growth Agenda. A resource model has been developed, and is reflected in the taxbase and Council Tax yield calculations included in this document. The model will be updated for the outcome of key consultants reports on infrastructure and other investments requirements, as well as the updated housing trajectory projections. This work will be a key element in projecting future cost pressures and changes in grant entitlement over the medium and long-term, and an update will feature in the 2012 MTS. New Homes Bonus funding has been used to provide a commitment to retain the posts working on the planning and delivery of growth in order to ensure that a quality built environment can be delivered.
- b) **County Pension Fund** - as part of the September 2010 MTS the Council had already anticipated an increase in the employer contribution rate resulting from the 2010 triennial revaluation of the Pension Fund by providing for an additional 0.75% in each of the 6 years from 2011/12.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
2007 Valuation Rates	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%
Provision for outcome of 2010 Valuation	19.35%	20.10%	20.85%	21.60%	22.35%	23.10%
Increase / (Decrease)	0.75%	1.50%	2.25%	3.00%	3.75%	4.50%
Budget Impact (in year)	£	£	£	£	£	£
- GF	164,250	328,500	492,750	657,000	821,250	985,500
- HRA	63,820	127,640	191,460	255,280	319,100	382,920
Total	228,070	456,140	684,210	912,280	1,140,350	1,368,420

Based on the information available to date this provision is still felt to be appropriate. Negotiations are still ongoing to seek to agree a revised Local Government Pension Scheme in light of the recommendations of the Independent Public Services Pensions Commission, Chaired by Lord Hutton.

- c) **New Capital Receipts** - the Council has a number of asset holdings which may be the subject of disposals over the next few years, as outlined in Section 6. This is an area which continues to be closely monitored given the volatility of asset values and market interest as a consequence of the economic downturn. The Council has adopted a policy of not treating capital receipts as funding available for new spending until they have actually been received. This has proved an important discipline in the current uncertain climate, and has helped ensure the integrity of the Council's capital spending plans.
- d) **Benefit Realisation** - the Council has approved a number of schemes which are based on payback models funded initially from temporary use of reserves (the most prominent of these being the Customer Access Strategy project). As a result, a clear focus and robust approach to the realisation of the benefits which underpin the repayment of the initial investment is essential, in order to ensure the viability of the Council's medium-term financial plans. The position on these schemes has been regularly monitored to ensure that projections are being achieved in practice.
- e) **Introduction of Self-Financing for the HRA** – following recent changes in law as part of the Localism Bill, the current system for financing local authority housing, the national Housing

Revenue Account (HRA) Subsidy System will be replaced with a new system, known as Self-Financing, with effect from 1 April 2012. Recognising the major change that the Housing Revenue Account will see from that point, a special joint Housing Management Board (HMB) and Community Services meeting will take place on 8th February 2012, to consider the final budget, a 30-year Business Plan and Asset Management Plan for the Housing Revenue Account, incorporating the financial impact of the final debt settlement figure, which is anticipated by the end of January 2012.

- f) ***Icelandic Bank Investments*** - the Council is basing its financial planning on the latest information provided by the LGA, respective administrators and based on the advice issued by CIPFA's Local Authority Accounting Panel. The September 2010 MTS made provision for the projected shortfall in the capital sum which can be recovered, and this has been subsequently updated to take account of latest announcements. Whilst the November 2011 Icelandic Supreme Court judgement formally applied only to the test cases, it is felt that this provides a high degree of certainty for non-test case authorities such as the City that preferential creditor status will be maintained; with associated higher expected rates of return. Developments and updates continue to be carefully monitored, and Members will be updated in the case of any significant changes.
- g) ***The Future of Local Government Finance*** - it is anticipated that the announcement of the outcome of the Local Government Resource Review will see the ending of the current Formula Grant system and its replacement with a scheme based on the re-localisation of Business Rates, with effect from 2013/14. On the evidence of the initial consultation on the proposed new scheme, the effect is likely to be a starting point based on current entitlement to support under the Formula Grant process. The Council's financial projections do not assume there will be a material increase in funding as a result of these changes, however, this will clearly be a crucial factor for effective long-term financial planning for the General Fund, and details of the implications of the review will be reported to Members once they are published.
- h) ***Population Changes*** - the existing basis for Government funding is very heavily based on the level of resident population. There are a number of changes which might impact on the population figures which are used as the basis for future funding determination. The figures from Census 2011 have yet to be published and we await confirmation as to when they will be used to re-base population figures for Government grant purposes. In the past, the re-basing of population using census data has had significant negative implications in terms of entitlement for the Council, due to high degree of population mobility of the City.

In the interim, the Office of National Statistics has been consulting on a proposed improved methodology for estimating net immigration to local authorities. Whilst seeking to improve the basis for estimation the methodology has resulted in significant % changes for a number of local authorities which appear hard to reconcile to local knowledge and official data sources. Cambridge is one of these authorities with a projected reduction of 20,200 in the indicative mid-year estimate for 2010. The Council is working together with other similar affected authorities and the LGA in seeking to challenge the proposed new methodology.

i) **Welfare Reform** - Government's plans to reform the country's system of welfare payments have considerable implications for the Council and for the work of this service area. As yet the implications of these proposed changes are not fully clear. Key ongoing changes and issues are:

- changes to Local Housing Allowance (LHA);
- the formation of a Single Fraud Investigation Service;
- the localisation of Council Tax Benefits;
- the Introduction of Universal Credit (UC);
- changes to the DWP Admin Grant (ongoing reductions in overall funding); and
- potential impact to the HRA rent account of the introduction of direct payments of UC to tenants.

The service will need to work closely with organisations such as the Department for Work & Pensions [DWP] plus advocacy and support agencies to ensure that the Council makes the necessary changes to its own benefits systems and meets the Government timetable for doing this. We also need to ensure that support, information and advice about the changes and their implications for individuals are in place, in particular for pensioners and those who are most vulnerable and in need. As a consequence of the current economic downturn, the service has already experienced an increase in its benefit assessment workloads and this is expected to continue into 2012/13 and beyond.

Updates will be provided to Members, in advance of the September 2012 MTS, where there are announcements which have significant implications for the Council's financial strategy and plans.

Options and Conclusions

Options

The work undertaken as part of the 2012/13 budget process, to date, has resulted in the development of proposals for base budgets for each Portfolio.

The January cycle of scrutiny committee meetings will be considering the options available. Their deliberations will be considered by the Executive in considering cross-portfolio issues and recommending a final package of budget measures to Council.

This version of the BSR recommends :

- approval of the revenue bids and funding proposals presented

In respect of the affordability Capital Bids, this report recommends :

- approval of the capital bids and funding proposals presented

The meeting of Council on 23 February 2012 will consider the final proposed Budget, as identified in this report, for approval.

Conclusions

The review of key factors undertaken and presented in this report outlines an approach for finalising the budget for 2012/13.

The work to develop the 2012/13 Budget has highlighted significant pressures from Unavoidable Revenue Bids and the impact of changes to non-cash budgets. In addition to containing these pressures and meeting the Cash Limit target for 2012/13, it has been possible to identify future ongoing savings which have served to reduce the level of net savings identified as required for 2014/15 and 2015/16. The increased net savings requirement for 2013/14 results from the new pressures resulting from the prolonged economic downturn together with the need to address the reduction in Council Tax yield due to the freeze in 2012/13.

The Council's adoption of long-term budget modelling and prudent financial strategies has been instrumental in enabling it to meet the current significant financial challenges, not least

from the economic downturn and reductions in Formula Grant, with the least adverse impact on service provision.

The adoption of a process of Service Reviews has provided an important contribution towards meeting the 'Net Savings Requirement' for 2012/13, realising ongoing savings in the region of £990k from 2014/15. The Council is seeking to build on this approach, in identifying the most appropriate ways to meet the net savings challenge identified in future years.

Appendix A

Outline Budget Preparation Timetable

Timetable for the remaining key stages in the 2012/13 Corporate Planning and Decision Making Cycle and Budget Preparation process

Date	Major Stage
3-16 Jan 2012	Portfolio Plans taken to Scrutiny Committees during the January cycle
16 Jan 2012	Strategy & Resources Scrutiny Committee
19 Jan 2012	Executive Budget meeting to consider Budget-Setting Report and Council Tax requirements
3 Feb 2012	Special Strategy & Resources Scrutiny Committee considers any budget amendment proposals
9 Feb 2012	Police Authority – precepting meeting
16 Feb 2012	Fire Authority – precepting meeting
21 Feb 2012	County Council – precepting meeting
23 Feb 2012	Council sets budget, Council Tax demand, precepts and overall Council Tax level
March 2012	Final approved budget reports to be sent to Cost Centre Managers by Finance
March 2012	2012/13 Budget Book published by Finance

Appendix B

Earmarked & Specific Funds (£ '000s)

Repairs & Renewals

General Fund	Opening Balance	Contributions	Expenditure to Nov 2011	Closing Balance
Arts, Sport & Public Places	(872.4)	(428.5)	106.9	(1,194.0)
Community Development & Health	(1,588.4)	(351.4)	69.2	(1,870.6)
Customer Services & Resources	(4,774.5)	(925.7)	37.8	(5,662.4)
Environmental & Waste Services	(4,485.1)	(368.5)	47.0	(4,806.6)
Housing – General Fund	(325.1)	(38.9)	3.7	(360.2)
Planning & Sustainable Transport	(966.4)	(390.0)	43.3	(1,313.1)
Strategy & Climate Change	(180.4)	(20.7)	3.2	(198.0)
Totals	(13,192.4)	(2,523.7)	311.2	(15,404.9)

Housing Revenue Account	Opening Balance	Contributions	Expenditure to Nov 2011	Closing Balance
Housing - HRA	(1,826.2)	(263.6)	37.9	(2,051.9)

Climate Change Fund

Description	2011/12	2012/13	2013/14	2014/15
(Surplus) / Deficit b/f	(383.1)	(377.5)	(473.9)	(473.9)
Contributions	(184.8)	(129.1)	0.0	0.0
Surplus available	(567.9)	(506.6)	(473.9)	(473.9)
Approvals	190.4	32.7	0.0	0.0
(Surplus) / Deficit c/f	(377.5)	(473.9)	(473.9)	(473.9)

Development Plan Fund

Description	2011/12	2012/13	2013/14	2014/15
(Surplus) / Deficit b/f	(272.0)	(283.3)	(300.3)	(22.9)
Contributions	(161.3)	(167.0)	(167.0)	(167.0)
Surplus available	(433.3)	(450.3)	(467.3)	(184.3)
Forecast Expenditure	150.0	150.0	450.0	150.0
(Surplus) / Deficit c/f	(283.3)	(300.3)	(17.3)	(34.3)

Fixed Term Posts Costs

Description	2011/12	2012/13	2013/14	2014/15
(Surplus) / Deficit b/f	(30.0)	(30.0)	(30.0)	(30.0)
Contributions	0.0	0.0	0.0	0.0
Surplus available	(30.0)	(30.0)	(30.0)	(30.0)
Approvals	0.0	0.0	0.0	0.0
(Surplus) / Deficit c/f	(30.0)	(30.0)	(30.0)	(30.0)

Council Tax Earmarked for Growth

Description	2011/12	2012/13	2013/14	2014/15
(Surplus) / Deficit b/f	(167.6)	(276.9)	(363.6)	(565.6)
Contributions	(249.3)	(271.7)	(448.3)	(700.7)
Surplus available	(416.9)	(548.6)	(811.9)	(1,266.3)
Approvals	140.0	185.0	246.4	246.4
(Surplus) / Deficit c/f	(276.9)	(363.6)	(565.6)	(1,019.9)

Efficiency Fund

Description	2011/12	2012/13	2013/14	2014/15
(Surplus) / Deficit b/f	(75.0)	(418.4)	(449.4)	(426.9)
Contributions	(475.0)	(200.0)	0.0	0.0
Surplus available	(535.0)	(618.4)	(449.4)	(426.9)
Approvals	116.6	169.0	22.5	0.0
(Surplus) / Deficit c/f	(418.4)	(449.4)	(426.9)	(426.9)

Technology Investment Fund

Description	2011/12 £ '000	2012/13 £ '000	2013/14 £ '000	2014/15 £ '000
(Surplus) / Deficit b/f	(241.3)	(98.3)	(76.3)	(76.3)
Existing Commitments	143.0	0.0	0.0	0.0
New commitments	0.0	22.0	0.0	0.0
(Surplus) / Deficit c/f	(98.3)	(76.3)	(76.3)	(76.3)

Developer Contributions at November 2011 - (Provisional)

Category	Completed agreements		Future Forecast ¹		Approvals ³	Projected Balance Available
	Balance at 1 April 2011	Apr-Nov 2011 (Actual)	Non Growth Sites	Growth Sites ²		
Affordable Housing	(382.0)	0.0	0.0	0.0	331.0	(51.0)
Community Facilities	(1,542.1)	(176.7)	(645.5)	(276.9)	1,058.0	(1,583.2)
Formal Open Space / Outdoor Sport	(1,135.0)	(97.0)	(542.6)	(697.1)	1,196.0	(1,275.7)
Informal Open Spaces	(1,280.9)	(87.9)	(413.2)	(409.6)	798.0	(1,393.6)
Children / Teenagers Play Provision	(330.0)	(92.8)	(240.8)	(286.9)	470.0	(480.4)
Indoor Sports Facilities	(2.7)	(14.3)	(397.2)	0.0	0.0	(414.2)
Public Art	(541.2)	(154.6)	(384.8)	0.0	326.0	(754.6)
Public Realm	(303.2)	0.0	0.00	0.0	27.0	(276.2)
Miscellaneous	(33.1)	(19.6)	(19.0)	0.0	0.0	(71.6)
Funds held for Cambridgeshire CC	(716.3)	12.4	0.0	0.0	0.0	(704.0)
Total	(6,266.5)	(630.5)	(2,643.0)	(1,670.4)	4,206.0	(7,004.5)

¹ Includes forecast funding from completed S106 agreements where trigger points for the receipt of contributions have not yet been reached. Whilst most of these contributions are for off-site spending, stipulations within some legal agreements can prescribe how (type of project), where (proximity to development) and when the contribution can be used. Developer contributions must be used for the intended purposes

² Some contributions from CB1 and NIAB Frontage developments are available to fund projects beyond the growth sites.

³ Includes only those approved capital projects that are in the Capital & Revenue Projects Plan (2011/12 - 2015/16) to be financed from Developer Contributions.

Developer Contributions Forecast – Major Growth Sites (memorandum only)

Category	Cambridge City Council	Cambridgeshire CC	South Cambs DC	TOTAL
Affordable Housing ¹	0.0	0.0	0.0	0.0
Community Facilities ^{2 3}	(6,606.8)	(2,155.9)	0.0	(8,762.7)
Formal Open Space ³	(983.7)	(745.8)	0.0	(1,729.5)
Informal Open Space ^{2 3}	(3,810.2)	0.0	0.0	(3,810.2)
Children & Teenagers ^{2 4}	(2,093.2)	0.0	0.0	(2,093.2)
Allotments ^{2 4}	(221.0)	0.0	0.0	(221.0)
Indoor Sport ³	(1,454.0)	0.0	0.0	(1,454.0)
Public Art ¹	0.0	0.0	0.0	0.0
Public Realm ^{1 2}	(82.5)	0.0	0.0	(82.5)
Waste & Recycling ^{2 4}	(25.6)	0.0	0.0	(1,540.0)
Ecology ³	(564.3)	0.0	0.0	(564.3)
Miscellaneous ³	(398.0)	0.0	(35.9)	(433.9)
Section 106 monitoring ²	(375.0)	0.0	0.0	(375.0)
Community development & other revenue contributions	(1,040.0)	0.0	0.0	(1,040.0)
Education & Lifelong learning	0.0	(52,014.4)	0.0	(52,014.4)
Household Waste Recycling Facility	0.0	(1,514.4)	0.0	0.0
Transport	0.0	(35,698.1)	0.0	(35,698.1)
TOTAL	(17,654.3)	(92,128.7)	(35.9)	(109,818.9)

¹ Indicates that all provision within this category will be provided on site, so that no off-site contributions will be payable

² Indicates site-specific maintenance contributions only for open spaces/public realm areas within these categories to be provided on site that will be transferred to the City Council to manage and maintain/ or payments to the local authority for other facilities and services that need to be provided/delivered on site

³ Indicates off-site contribution towards named project specified in S106 agreement

⁴ Formula contributions to be calculated

Appendix C (a)

Calculation of Council Tax Base 2012/13

	Council Tax Bands								
	A	B	C	D	E	F	G	H	Total
Dwellings on the valuation list	2,842	9,484	17,554	8,543	4,865	3,070	2,834	448	49,640
Dwellings treated as exempt	204	562	845	586	285	236	348	170	3,236
Adjustments for disabled reductions (i.e. reduced by one band)	0	13	46	23	22	9	10	7	130
	13	46	23	22	9	10	7	0	130
Total chargeable dwellings	2,651	8,955	16,686	7,956	4,567	2,835	2,483	271	46,404
Number of dwellings included in the in the above totals:									
Entitled to a 25% discount (single adult household)	1,753	4851	5,313	2,109	1,084	564	411	21	16,106
Entitled to a 25% discount (all but one adult disregarded)	22	169	291	103	66	30	17	2	700
Entitled to a 50% discount (all residents disregarded)	0	10	2	8	6	6	8	6	46
Classed as second homes and treated for Formula Grant purposes as entitled to 50% discount	120	248	362	246	141	82	53	3	1,255
Classed as long term empty and receiving 50% discount	106	38	97	41	35	13	24	12	366
Where there is a liability to pay 100% council tax	650	3,639	10,621	5,449	3,235	2,140	1,970	227	27,931
Total number of equivalent dwellings after discounts, exemptions and disabled relief	2,094.25	7,552.00	15,054.50	7,255.50	4,188.50	2,636.00	2,333.50	254.75	41,369
Ratio to Band D	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
Band D equivalents	1,396.2	5,873.8	13,381.8	7,255.5	5,119.3	3,807.6	3,889.2	509.5	41,232.9
Band D equivalent contributions for Government properties									1.0
Tax base for Formula Grant purposes									41,233.9
	Add	Estimated net growth in tax base							600.7
	Add	Additional second homes income							490.0
	Less	Adjustment for student exemptions							-898.7
	Less	Assumed loss on collection at 1%							-414.3
Total Band D Equivalents – Tax base for Council Tax and Precept Setting Purposes									41,012
(rounded to nearest integer)									

Appendix C(b)

Council Tax Setting 2012/13

1. The Council calculated its Council Tax Base 2012/13 for the whole Council area as **41,012** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
2. The Council calculates that the Council Tax requirement for the Council's own purposes for 2012/13 is **£6,831,370**.
3. That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:

- | | | |
|-----|---------------------|--|
| (a) | £143,161,730 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act |
| (b) | £136,330,360 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act |
| (c) | £6,831,370 | being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act] |
| (d) | £166.57 | being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. |

4. To note that Cambridgeshire County Council, Cambridgeshire Police Authority and Cambridgeshire & Peterborough Fire Authority **will be issuing (see note below)** precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings in the Council's area as indicated in the table below.

Note: the Cambridgeshire Police Authority met on 9 February 2012, Cambridgeshire & Peterborough Fire Authority will meet on 16 February 2012 and Cambridgeshire County

Council will meet on 21 February 2012 and, to consider the amounts in precepts to be issued to the City Council for the year 2012/13 and the table will be updated accordingly.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2012/13 for each of the categories of dwellings in the Council's area.

Dwelling Band	City Council £	County Council £	Police Authority £	Fire & Rescue Authority £	Aggregate Council Tax £
A	111.05				
B	129.55				
C	148.06				
D	166.57				
E	203.59				
F	240.60				
G	277.62				
H	333.14				

6. The Council determines that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its council tax for 2012/13 is not excessive.

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Community Services - Community Development & Health					
Revised Budget					
RB2786	Revised Budget - Salary underspend for Community Development Administration and Grants Administration	(45,000)	No	0	Trevor Woollams
	<i>Projected underspend for salaries across 2 cost centres. This is primarily a result of the Community Development Service's Phase 2 restructuring which is linked to the Council's on-going support services review. Savings are £45k for 11/12 split across: Code 07101 @ £17,000 and Code 06151 @ £28,000. Both reviews are due for completion by the end of March 2012.</i>				
RB2787	Revised Budget - Salary underspend for ChYpPS	(4,500)	No	0	Trevor Woollams
	<i>Projected underspend due to various vacancies across the service which have now been filled plus some staff not taking up pension.</i>				
RB2788	Revised Budget - Salary underspend for neighbourhood community development	(4,000)	No	0	Trevor Woollams
	<i>Projected underspend due to various vacancies which have now been filled</i>				
Total Revised Budget		(53,500)		0	
Total Community Services - Community Development & Health		(53,500)		0	

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Community Services - Housing					
Revised Budget					
RB2864	Reduction in recharge from the HRA to the General Fund in respect of shared amenities	(27,000)	Yes	(29,620)	Julia Hovells
<div style="border: 1px dashed black; padding: 5px;"> <i>Reduction in anticipated recharge from the HRA in respect of shared amenities, based upon actual costs incurred in 2010/11 [See also RB2890]</i> </div>					
RB2979	Funding to meet anticipated set up costs of the new Home Improvement Agency shared service	20,000	No	0	Alan Carter
<div style="border: 1px solid black; padding: 5px;"> <i>A new shared Home Improvement Agency Service is being set up, combining staff from Cambridge City Council, South Cambridgeshire District Council and Huntingdonshire District Council. There are anticipated set up costs in 2011/12 to facilitate the new service, with anticipated long term financial benefits [See also SR2912]</i> </div>					
Total Revised Budget		(7,000)		(29,620)	
Total Community Services - Housing		(7,000)		(29,620)	

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Environment - Environmental & Waste Services					
Revised Budget					
RB2824	Fleet salary savings	(21,000)	No	0	David Cox
[Salary savings as a result of staff turnover within the fleet cost centre.]					
RB2832	Street/Zip car usage and uptake increase in costs across the service	11,000	Yes	11,000	Jas Lally
[Since lump sum and essential car allowance changes there has been an steady but increasing use by staff in street/zip car usage. This is causing an unavoidable over spend on budgets within the section. [See also UR2796]					
RB2833	Increased income from trade waste services	(138,000)	No	0	Jas Lally
[Anticipated loss of business for this financial year has not been evident; leading to an increased income from higher than inflation price increases added at the start of the financial year to mitigate against this potential loss. The trade waste mixed recycling service has continued to expand leading to an increase in the number of customers using this service, again resulting in additional income. Savings will not continue due to an increase in gate fee and the transfer of disposal cost from the County Council as a result of anticipated changes to the Controlled Waste Regulations.]					
RB2834	Waste Compositional Analysis	38,000	No	0	Jen Robertson
[As debated at Environment Scrutiny Committee on 4/10/11 a Waste Compositional Analysis is required to be carried out in order to establish what materials are not being recycled and which groups of people are not recycling to the full or at all. This work will enable decisions to be made about the next steps to be taken in order to increase recycling to 50-55% by 2015/16. It is not known at this stage exactly how much this analysis will cost but it is anticipated that it will be approximately £38,000 and therefore a revised budget bid is being made.]					
RB2835	Materials Recycling Facility Gate Fee	(95,000)	No	0	Rebecca Weymouth
[The Materials Recycling Facility (MRF) contract price is determined every 6 months based on the value of the recycle materials from the blue bin. This makes predicting budgets difficult and has meant that provision needs to be made within budgets for a drop in the value of materials. The next price review is due in December but it is predicted that the value will remain high and, based on predicted tonnage for the remainder of the year, one off savings can be made.]					
RB2837	Underspend in staffing costs	(37,000)	No	0	Yvonne O'Donnell
[As part of a review of the detailed salary budgets of the Refuse and Environment section there is an expected saving of £47k. This is due to turnover of staff and a maternity leave vacancy that has been difficult to recruit into.]					

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Environment - Environmental & Waste Services					
RB2851	Additions to pay (overtime) budgets no longer required	(3,000)	Yes	(3,000)	Selwyn Anderson
<i>[No additions now payable to staff. Budget saving possible [See also S2853]]</i>					
RB2855	Review of Repair and Renewal (R&R) budgets within Refuse and Environment	(80,000)	No	0	Yvonne O'Donnell
<i>[An exercise has been undertaken to update the inventory currently held by Refuse and Environment. This review identified savings in the current year totalling £80,000.]</i>					
RB2975	Apportionment of costs for taxi licensing work at the garage	(10,000)	Yes	(10,000)	Michael Parsons
<i>[Duties relating to the taxi and private hire licensing function being undertaken by the garage. [See also S2978]]</i>					
Total Revised Budget		(335,000)		(2,000)	
Total Environment - Environmental & Waste Services		(335,000)		(2,000)	

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Environment - Planning & Sustainable Transport					
Revised Budget					
RB2772	GIS Digital Mapping - Maintenance Costs	(10,000)	Yes	(2,000)	Paul Boucher
<p><i>We have recently completed the upgrade of the GIS infrastructure under capital project SC368. The annual maintenance costs do not commence until 2012/13, therefore there is a one off saving in 2011/12. There is a small ongoing reduction of £2,000 - see linked proposal. No impact for service delivery. [See also RB2774, S2778, S2779]</i></p>					
RB2774	GIS Digital Mapping - Mapping Services Agreement	(11,510)	Yes	(11,820)	Paul Boucher
<p><i>The mapping services agreement arrangements have changed. The new Public Sector Mapping Agreement is now funded by central government for a period of 10 years. No impact upon service delivery. [See also S2778 S2779 RB2772]</i></p>					
RB2775	Greater Cambridge Partnership (GCP) subscription termination.	(5,470)	Yes	(5,620)	Patsy Dell
<p><i>Greater Cambridge Partnership subscription no longer needed. [See also S2780]</i></p>					
RB2776	Corporate contribution saving arising from the wind-up of Cambridgeshire Horizons	(15,470)	Yes	(16,100)	Patsy Dell
<p><i>Cambridgeshire Horizons corporate contribution no longer required. Part (£8,000) of the existing budget has been re-assigned as a contribution to the Greater Cambridge, Greater Peterborough LEP with the residue available to be put forward as a saving. [See also S2781]</i></p>					
RB2782	Pre-application charging	(10,000)	Yes	(24,000)	Patsy Dell
<p><i>Introduction of pre-application charging scheme for non-domestic applications, estimated first part year income contribution. [See also SR2751]</i></p>					
RB2937	Reduction in Repairs and Renewals contribution for one year only	(50,000)	No	0	Paul Boucher
<p><i>A review of current available Repairs & Renewal funds has shown that a one off saving of £50,000 can be offered in 2011/12.</i></p>					
RB2938	Shortfall in Operating Budget for Shopmobility	7,400	No	0	Paul Necus
<p><i>Shortfall in expected contribution by County Council, prior to establishment of SLA has reduced income to fund Shopmobility services.</i></p>					

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Environment - Planning & Sustainable Transport					
RB2940	Shortfall in car park Season Ticket Income	51,680	No	0	Paul Necus
<div style="border: 1px dashed black; padding: 5px;"> <i>Decline in expected season ticket income across car parks, reflecting economic climate, and limited marketing activity to date.</i> </div>					
Total Revised Budget		(43,370)		(58,600)	
Total Environment - Planning & Sustainable Transport		(43,370)		(58,600)	

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Strategy & Resources - Customer Services & Resources					
Revised Budget					
RB2743	Saving from Customer Service Centre Training Budget	(20,000)	No	0	Chris Bolton
	<i>Unable to commit carry over funds from 2010-11 Customer Service training budget for upcoming welfare benefit changes. Delay in implementing changes nationally and subsequent training course unavailability means that the funds cannot be committed this year.</i>				
RB2744	Customer Service Pension Underspend	(30,000)	No	0	Chris Bolton
	<i>Customer Service pension underspend from staff not in the pension scheme.</i>				
RB2758	Internal Audit - Employee Cost Savings	(31,400)	Yes	(7,000)	Bridget Bishop
	<i>Following a review of Internal Audit's employee budgets, savings of £31,400 have been identified (£24,400 one-off savings due to a post being vacant for the bulk of the financial year and ongoing savings of £7,000). [See also S2757]</i>				
RB2759	Risk Manager post - part year vacancy saving	(19,300)	Yes	(13,000)	Julia Minns
	<i>Appointment to the position of Risk Manager has been deferred pending the outcome of a review of the Council's risk management arrangements. The review has now been concluded and it is anticipated that additional resources to support risk management and related insurance work will now be engaged early in the new calendar year. [See also SR2819]</i>				
RB2762	Lion House - One-off Increase in Premises Costs	17,000	No	0	Jim Stocker
	<i>One-off increase in service charge expenditure due to project works and overspend on essential repairs.</i>				
RB2764	Property Services - Employee Cost Savings	(15,000)	No	0	Philip Doggett
	<i>Net staffing savings as a result of deferring recruitment to the post of Head of Property.</i>				
RB2765	Grand Arcade - Additional Head Rent (estimate)	(55,000)	No	0	Philip Doggett
	<i>Current estimate of the additional head rent due for the period 21 March 2009 to 20 March 2010.</i>				

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Strategy & Resources - Customer Services & Resources					
RB2773	Photocopier/Multi-Functional Device Contract extension	(9,000)	No	0	Paul Boucher
	<p>In May 2010 the existing Photocopier/Multi-functional printers contract with Océ was extended until January 2012, this was to allow flexibility whilst a new contract was procured in line with the Council's Printer Strategy. The extension has resulted in reduced monthly rental costs for a number of devices across the council for the 2011/12 financial year. This is a one-off saving.</p>				
RB2814	Deletion of a Fraud Prevention Officer Post	(25,000)	Yes	(37,800)	John Frost
	<p>Salary and on cost savings following deletion of a Fraud Prevention Officer post, which is currently vacant. [See also S2813]</p>				
RB2816	IT Supplies and Services Savings	(20,000)	Yes	(20,000)	John Frost
	<p>Following a review of Revenue and Benefit Services' supplies and services budgets, ongoing IT savings of £20,000 have been identified. [See also S2817]</p>				
RB2818	Recovery of Benefit Overpayments	(40,000)	No	0	John Frost
	<p>Estimated one-off increase in recovery of Benefit Overpayments from claimants that are no longer claiming benefits.</p>				
RB2829	One-off saving from Elections cost centre	(38,500)	No	0	Gary Cliff
	<p>City Council elections in May 2011 were combined with a national referendum. Costs for the referendum are covered by Government Grant which comes in two tranches, an advance and a post-election claim. Because of this grant and accounting for the total costs of the elections held on 5 May, some of the original budget can be returned.</p>				
RB2830	Revised cost of Members Allowances for 2011/12	(20,000)	No	0	Gary Cliff
	<p>The City Council agreed to freeze Members Allowances for 2011/12 (the fourth consecutive year). The inflation added element to the budget had not been removed during this time, this should be done now so that the budget matches the agreed Allowances Scheme. [See also S2845]</p>				
RB2848	Part year reduction in staffing costs of the Finance Team, Mill Road, due to vacancies	(37,660)	No	0	Jackie Collinwood
	<p>Reduction in staff costs due to a retirement and a member of staff taking a career break. The positions have not been filled pending the outcome of the Council's review of departmental support services. Cover is being provided through a combination of reallocation and re-prioritisation of work and the implementation of a new IT system interface.</p>				

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Strategy & Resources - Customer Services & Resources					
RB2922	Copyright Licensing Authority Fee Saving	(2,500)	Yes	(2,500)	James Nightingale
	<i>[The Copyright Licensing Authority Fee is a third party cost. Ongoing savings of £2,500 are anticipated. [See also S2763]</i>				
RB2923	Human Resources savings and efficiencies	(27,000)	No	0	Sue Dawson
	<i>[Savings from Human Resources due to staff vacancy, shared working with South Cambs, childcare allowances and across a range of supplies and services.</i>				
RB2948	Building Repairs South Cambs Contract - Income shortfall	65,000	No	0	Jackie Collinwood
	<i>[There will be an income shortfall of around £85,000 on the South Cambs contract but this is offset slightly by an underspend on employee costs. The South Cambs Contract is terminated at the end of this financial year.</i>				
RB2955	Additional contribution to the Insurance Fund	200,000	No	0	Karl Tattam
	<i>[Following a review of liabilities against the Fund, the requirement for an additional contribution of £200,000 has been identified.</i>				
RB2963	Office Services - saving in staffing costs	(18,750)	No	0	Althea Mejias
	<i>[Part year saving for vacant post.</i>				
Total Revised Budget		(127,110)		(80,300)	
Total Strategy & Resources - Customer Services & Resources		(127,110)		(80,300)	

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Strategy & Resources - Strategy & Climate Change					
Revised Budget					
RB2741	In year savings from Corporate Marketing cost centre	(6,000)	Yes	(4,500)	Ashley Perry
	<i>In-year savings arising from the renegotiation of supplier contracts for the production of Cambridge Matters magazine and the conversion of the staff newsletter from a printed to electronic format [See also S2777]</i>				
RB2742	One off reduction in Corporate Strategy Administration salary and operating costs in 2011	(15,000)	No	0	Frances Barratt
	<i>Small adjustment to requirements for corporate strategy administration in 2011 (01007). [See also S2748]</i>				
RB2825	Salary savings on Strategy Officer and savings on consultants and professional fees	(20,000)	Yes	(3,000)	David Kidston
	<i>It is proposed to revise the Corporate Performance budget (01005) to reflect: savings in salary and associated pension and National Insurance costs resulting from a vacancy in the Strategy Officer post in Strategy and Partnerships for a number of months; and an underspend on consultants and professional fees associated with monitoring corporate performance. This has no implications for service delivery, as the Strategy Officer post was filled in July 2011 and a corporate performance management system is being developed and implemented using existing staff resources in the Strategy and Partnerships team. [See also S2839]</i>				
RB2826	Savings on Corporate Policy budget	(26,500)	Yes	(11,880)	David Kidston
	<i>It is proposed to revise the Corporate Policy budget (01006) to reflect; savings in salary and associated pension and National Insurance costs resulting from a vacancy in the Strategy and Partnerships Manager post; a reduction in the Corporate Policy Books and Publications budget to reflect decreasing expenditure over the past 5 years; underspend on the corporate consultation programme; and a reduced contribution to the Citizen Surevy holding account (01079). This will not impact on service delivery, as a new Strategy and Partnerships Manager is in post, an increasing number of policy publications and documents that the team needs are available free of charge online, and no major corporate consultations are anticipated in the remainder of 2011/12 [See also S2840]</i>				
RB2827	Savings on employers pensions contributions	(4,500)	No	0	David Kidston
	<i>Employee is not currently a member of the Local Government Pension Scheme, so it is proposed to revise the budget to reflect the resultant underspend on employers pensions contributions under cost code 27700.</i>				

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Strategy & Resources - Strategy & Climate Change					
RB2828	Saving on core funding for Travel for Work partnership	(3,250)	Yes	(5,750)	David Kidston
<u>As agreed at Environment scrutiny committee in January 2011. [See also S2841]</u>					
Total Revised Budget		(75,250)		(25,130)	
Total Strategy & Resources - Strategy & Climate Change		(75,250)		(25,130)	

2012/13 Budget - Non Cash-Limit - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

Non-Cash Limit Items

NCL2812	Reduction in DWP Admin Subsidy Grant	0	19,000	19,000	19,000	19,000	John Frost	
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The DWP Admin Subsidy Grant is £19,000 less than forecast for the Medium Term Strategy. (Subsidy Circular HB/CTB S9/2011).

NCL2994	Revisions to projected external interest income	0	111,000	361,000	411,000	411,000	Patrick Merritt	
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Projections for the level of income resulting from external investments have been revised to reflect the latest market projections for future interest rates, this has identified a reduction in the level of income reflecting the continuation of the economic downturn.

Non-Cash Limit Items	0	130,000	380,000	430,000	430,000			
Strategy & Resources - Customer Services & Resources	0	130,000	380,000	430,000	430,000			
Report Total	0	130,000	380,000	430,000	430,000			

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Arts, Sport & Public Places

Savings

S2928	Reduction in Leisure Grants Funding	0	(7,870)	(7,870)	(7,870)	(7,870)	Jackie Hanson	
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To cash limit the leisure grants budget at £291,470

Savings		0	(7,870)	(7,870)	(7,870)	(7,870)		
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2012/13 Budget - Bids & Savings - GF

Appendix: Page 2 of 22

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Arts, Sport & Public Places

Unavoidable Revenue Bids

UR2790	Olympic Torch Relay Evening Celebration	0	75,000	0	0	0	Elaine Midgley	U
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The City will host the evening celebration of the Olympic Torch Relay on 7th July 2012. This bid is to support the necessary infrastructure relating to the extension of the Big Weekend and includes items such as additional staffing costs, community engagement, fencing, stewards, security, traffic management, toilets and waste collection and recycling. The City Council and County Councils both identified an estimated cost of approximately £25,000, and each agreed to underwrite costs of up to £75,000. The amount requested reflects anticipated costs shared equally with the County Council and a worst scenario regarding sponsorship.

Unavoidable Revenue Bids	0	75,000	0	0	0
Community Services - Arts, Sport & Public Places	0	67,130	(7,870)	(7,870)	(7,870)

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Community Development & Health

Service Reviews

SR2936	CCTV Service - Reduction in costs following a review of the CCTV service	0	(146,000)	(188,000)	(188,000)	(188,000)	Martin Beaumont	
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A review of the CCTV Service was scrutinised by the Community Services Scrutiny Committee in October 2011 and its recommendations accepted. Implementation is subject to staff consultation and delegated approval. The estimated savings are based both on reduced staffing and reassessed R&R contributions.

Service Reviews		0	(146,000)	(188,000)	(188,000)	(188,000)		
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Community Development & Health

Savings

S2789	Cash limit Community Development Grants	0	(23,280)	(23,280)	(23,280)	(23,280)	Jackie Hanson	
<i>Cash limit the range of community development grants at £892,200</i>								
S2856	Price Review - Cremations	0	(26,600)	(26,600)	(26,600)	(26,600)	Paul Necus	
<i>Review of prices for Cremations, combining peak and standard rates whilst maintaining the off peak rate.</i>								
S2860	Operational savings from the Community Safety budget	0	(3,030)	(3,030)	(3,030)	(3,030)	Lynda Kilkelly	
<i>Restructure of the Safer Communities team in 2010/11, which resulted in a reduction in staff numbers, has facilitated a reduction in operational budgets (travel, training, consultants, special projects). This, coupled with cash limiting payments to the pooled fund for the Community Safety Partnership, Street Pastors and the Police Community Support Officers, results in the delivery of a saving.</i>								
Savings		0	(52,910)	(52,910)	(52,910)	(52,910)		

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Community Development & Health

Unavoidable Revenue Bids

UR2941	Upgrade IT software - Epilog Sequel and three year support contract	0	15,000	10,000	10,000	0	Tracy Lawrence	U
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The proposal to upgrade existing bespoke bereavement software is to provide system security, financial and statistical information relating in particular to the Commemorations project and support the overall Bereavement Services Business Plan - this will meet risks/objectives identified in recent internal auditors and external consultants reports. Software package (£5,000) to be funded from R & R.

Unavoidable Revenue Bids	0	15,000	10,000	10,000	0
Community Services - Community Development & Health	0	(183,910)	(230,910)	(230,910)	(240,910)

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Housing

Service Reviews

SR2912	Saving to be delivered through restructure of Strategic Housing Services	0	(36,940)	(36,940)	(36,940)	(36,940)	Alan Carter	
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This saving includes the impact of reviewing the structures and service delivery methods of the Home Improvement Agency, Housing Options, CBL, Homelessness and Housing Strategy, and will result in some staffing reductions overall [See also RB2979]

Service Reviews		0	(36,940)	(36,940)	(36,940)	(36,940)		
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2012/13 Budget - Bids & Savings - GF

Appendix: Page 7 of 22

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Housing

Savings

S2849	Charging for service of statutory housing notices	0	(900)	(900)	(900)	(900)	Selwyn Anderson	
<p>The law allows the council to charge when statutory housing notices are served. This proposal sees a change in policy (if approved by members) whereby if informal action does not result in action, the council will charge where a statutory notice is served to obtain compliance.</p>								
S2863	Increase in Development Team fee income	0	(1,500)	(1,500)	(1,500)	(1,500)	Alan Carter	
<p>Due to the 3 year affordable housing investment programme, it is anticipated that the Development Team will be in a position to capitalise a greater degree of their time in the form of fee recharges</p>								
S2865	Reduction in recharge from the HRA to the General Fund in respect of shared amenities	0	(29,620)	(29,620)	(29,620)	(29,620)	Julia Hovells	
<p>Reduction in anticipated recharge from the HRA in respect of shared amenities, based upon actual costs incurred in 2010/11</p>								
S2867	Reduction in recharge from the HRA in respect of the General Fund share of ASB costs	0	(810)	(810)	(810)	(810)	Lynda Kilkelly	
<p>A net reduction in the General Fund contribution towards the costs of ASB is anticipated, due to a share of savings proposed in legal fee budgets, partially offset by the costs associated with a new ASB Case Management System</p>								

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Housing

S2911	Saving delivered through budgeting for actual cost of existing Housing General Fund employees	0	(1,640)	(1,640)	(1,640)	(1,640)	Julia Hovells	
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Staff retained or recruited results in small savings or unavoidable revenue bids in any one year. This saving matches the actual costs incurred to those initially assumed in budget working papers where inflation is applied at an average rate.

Savings	0	(34,470)	(34,470)	(34,470)	(34,470)		
Community Services - Housing	0	(71,410)	(71,410)	(71,410)	(71,410)		

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Environmental & Waste Services

Service Reviews

SR2847	Deletion of Environmental Health Manager post	0	(42,000)	(42,000)	(42,000)	(42,000)	Jas Lally	
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The Environmental Health Manager (Residential) is retiring in mid January 2012. The net saving comes from the deletion of the post and the revaluation of current posts to reflect additional responsibilities

SR2945	Review of Building Cleaning	0	(38,000)	(76,000)	(76,000)	(76,000)	Toni Ainley	
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Review of building cleaning. There is an additional bid within the HRA. [See also SR2946]

SR2950	Route Optimisation Project Phase 2	0	(100,000)	(100,000)	(100,000)	(100,000)	Jas Lally	
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The saving is dependant on scenarios found from the Round Routing project which is to be discussed and agreed with the Exec Cllr for Refuse and Environment.

Service Reviews		0	(180,000)	(218,000)	(218,000)	(218,000)		
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Environmental & Waste Services

Savings

S2838	Increased income from undertaking additional private repairs and MOT's at the depot	0	(10,000)	(10,000)	(10,000)	(10,000)	David Cox	
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New staff employed in the Fleet section are qualified to carry out MOT's enabling more tests and private car repairs to be carried out by the council garage.

S2852	Increased income from offering a wider range of pest control services	0	(2,500)	(5,000)	(5,000)	(5,000)	Selwyn Anderson	
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The section has the capacity to offer a wider range of domestic pest control services following the transfer of the dog warden to the Streets and Open Spaces team. These services can be subject to reasonable charges that will need to compete with private sector companies

S2853	Additions to pay (overtime) budgets no longer required	0	(3,000)	(3,000)	(3,000)	(3,000)	Selwyn Anderson	
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No additions now payable to staff. [See also RB2851]

S2953	Trade Waste additional Income	0	(25,000)	(75,000)	(75,000)	(75,000)	Jas Lally	
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Trade waste additional income from an increased number of customers and market share which is dependant on the joint trade waste venture going forward.

S2978	Apportionment of costs for taxi licensing work at the garage	0	(10,000)	(10,000)	(10,000)	(10,000)	Michael Parsons	
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Duties relating to the taxi and private hire licensing function being undertaken by the garage. [See also RB2975]

Savings		0	(50,500)	(103,000)	(103,000)	(103,000)		
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Environmental & Waste Services

Unavoidable Revenue Bids

UR2796	Street/Zip car usage and uptake increase in costs across the service	0	11,000	11,000	11,000	11,000	Jas Lally	U
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[Since lump sum and essential car allowance changes there has been a steady but increasing use of street/zip car usage by staff during 2011/12. [See also RB2832]

UR2801	Reduction in Recycling bring bank income	0	16,000	16,000	16,000	16,000	Jen Robertson	U
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[A reduction in bring bank income resulting from the change from the existing segregated collections at schools and colleges to commingled collections. (There will also be a saving related to vehicles which will be quantified as part of the route optimisation work.)]

Unavoidable Revenue Bids

0	27,000	27,000	27,000	27,000
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Environment - Environmental & Waste Services

0	(203,500)	(294,000)	(294,000)	(294,000)
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Planning & Sustainable Transport

Service Reviews

SR2751	Introduction of Pre-Application charging service	0	(24,000)	(24,000)	(24,000)	(24,000)	Patsy Dell	
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The introduction of a pre-application charging scheme has been agreed through Environment Scrutiny Committee this year as a means of recovering some of the costs of providing pre-application advice. The service will have some initial set up costs in formalising the existing informal arrangements but these should be covered by the charges that have been agreed. The charges are aimed at cost recovery only and will be kept under review year on year. [See also RB2782]

SR2857	Savings from marketing initiatives to better use spare capacity on car parks	0	(50,000)	(100,000)	(100,000)	(100,000)	Paul Necus	
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Identifying business needs and marketing use of car parking space, to generate income at times of day when spare capacity exists.

SR2939	Amalgamating ShopMobility into overall management of car parks.	0	(20,000)	(50,000)	(50,000)	(50,000)	Paul Necus	
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Proposed savings from reorganising the way ShopMobility is staffed and managed, that will allow more flexible services to be delivered by the Parking Team from single office bases at Grand Arcade and Grafton East car parks, including the potential for extended operating hours.

Service Reviews		0	(94,000)	(174,000)	(174,000)	(174,000)		
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Planning & Sustainable Transport

Savings

S2750	Miscellaneous Savings	0	(3,210)	(3,210)	(3,210)	(3,210)	Paul Boucher	
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Savings from Business & Information Services supplies and services budget. No impact on service delivery.

S2778	GIS Digital Mapping - Maintenance Costs	0	(2,000)	(2,000)	(2,000)	(2,000)	Paul Boucher	
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Reduction in annual maintenance costs. No impact for service delivery. [See also RB2772, RB2774, S2779]

S2779	GIS Digital Mapping - Mapping Services Agreement	0	(11,820)	(11,820)	(11,820)	(11,820)	Paul Boucher	
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The mapping services agreement arrangements have changed. The new Public Sector Mapping Agreement is now funded by central government for a period of 10 years. No impact upon service delivery. [See also RB2772, RB2774, S2778]

S2780	Greater Cambridge Partnership (GCP) subscription termination.	0	(5,620)	(5,620)	(5,620)	(5,620)	Patsy Dell	
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Greater Cambridge Partnership subscription no longer needed because Partnership has ceased to operate. [See also RB2775]

S2781	Corporate contribution saving arising from the wind-down of Cambridgeshire Horizons	0	(16,100)	(16,100)	(16,100)	(16,100)	Patsy Dell	
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Cambridgeshire Horizons corporate contributions no longer required as it has been wound down [See also RB2776]

Savings		0	(38,750)	(38,750)	(38,750)	(38,750)		
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Planning & Sustainable Transport

Unavoidable Revenue Bids

UR2791	Increased maintenance and R&R provision required for ten new bus shelters delivered by the Bus Shelters Capital Programme.	0	8,400	8,400	8,400	8,400	Andy Preston	U
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The bus shelter capital project to replace approximately 60% of the 62 City owned shelters and provide 10 new shelters, which was approved at Environment Scrutiny on 4th October, has led to this revenue bid for an increase in maintenance and R&R funding associated with the proposed 10 new shelters.

Unavoidable Revenue Bids	0	8,400	8,400	8,400	8,400
Environment - Planning & Sustainable Transport	0	(124,350)	(204,350)	(204,350)	(204,350)

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

Service Reviews

SR2749	Customer Service Centre Budget Efficiencies	0	(92,000)	(92,000)	(92,000)	(92,000)	Jonathan James	
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Savings from the Customer Service Centre budget made through efficiencies in introducing a payment kiosk and self serve, changes to Guildhall reception and switchboard, encouraging lower cost and more automated forms of contact and income from partnership work with St Albans. Further savings will be realised through the implementation of e-benefits and e-council tax. [See also C2740 SR2926]

SR2757	Internal Audit - Employee Cost Savings	0	(7,000)	(7,000)	(7,000)	(7,000)	Bridget Bishop	
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Following a review of Internal Audit's employee cost budgets, ongoing savings of £7,000 have been identified. [See also RB2758]

SR2815	Deletion of the Head of Revenue and Benefit Services Post	0	0	0	(76,900)	(76,900)	John Frost	
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Salary and on cost savings following deletion of the Head of Revenue and Benefit Services post from financial year 2014/15. As a consequence of Welfare Reform proposals resulting in migration of significant workload to the DWP, it is felt that there will no longer be a requirement for a Head of Revenue and Benefit Services post from financial year 2014/15.

SR2819	Risk Manager post - Reduction from full time to part time position	0	(13,000)	(13,000)	(13,000)	(13,000)	Julia Minns	
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Appointment to the vacant position of Risk Manager had been deferred pending the outcome of a review of the Council's risk management arrangements. The review has now been concluded and new arrangements agreed, including a twice yearly formal review of corporate risks in place of a five stage review. As a result, it is felt possible to reduce this post from full time to part time. It is anticipated that recruitment will take place early in the new calendar year. [See also RB2759]

SR2854	Legal Staff Saving	0	(30,240)	(30,240)	(30,240)	(30,240)	Simon Pugh	
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There has been a reduction of hours at the request of two staff members. Capacity has not been exceeded with the new resource levels, hence this can be offered as a saving. [See also SR2927]

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

SR2924	Savings from a range of Human Resources account codes	0	(35,800)	(35,800)	(35,800)	(35,800)	Sue Dawson	
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Savings from Human Resources operating costs across a range of supplies and services including consultancy.

SR2925	Savings on Human Resources staffing costs	0	(19,640)	(19,640)	(19,640)	(19,640)	Sue Dawson	
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Reduced hours for Diversity Adviser post, now shared with South Cambs District Council, and deletion of vacant Business Partner post.

SR2934	Proposed savings from HR Operations cost centre	0	(18,480)	(18,480)	(18,480)	(18,480)	Sue Dawson	
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Savings from salaries as part of HR Service Review, HR Business Partner post.

SR2952	Savings arising from Support Service Review	0	(80,000)	(80,000)	(80,000)	(80,000)	Julia Minns	
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The delivery of finance and administrative support throughout the Council is being reviewed with the anticipation of savings being identified by 2012/13. [See also SR2951]

Service Reviews		0	(296,160)	(296,160)	(373,060)	(373,060)		
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

Savings

S2747	Funding for Trade Union Branch Secretary posts	0	(32,940)	(32,940)	(32,940)	(32,940)	Sue Dawson	
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[Saving following review of Trade Union facilities arrangements.]

S2760	Telephone R&R one off saving	0	(54,600)	0	0	0	James Nightingale	
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[One off saving in Repairs and Renewals contribution, as replacement of telephone system deferred.]

S2761	Reduction in Telephone Costs	0	(2,800)	(2,800)	(2,800)	(2,800)	James Nightingale	
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[Reduction in telephone costs from contract savings.]

S2763	Copyright Licensing Authority Fee Saving	0	(2,500)	(2,500)	(2,500)	(2,500)	James Nightingale	
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[The Copyright Licensing Authority Fee is a third party cost. Savings of £2,500 are anticipated. [See also RB2922]]

S2813	Deletion of a Fraud Prevention Officer Post	0	(37,800)	(37,800)	(37,800)	(37,800)	John Frost	
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[As fraud detection and prevention are exceeding targets, this vacant post is offered as a saving. [See also RB2814]]

S2817	IT Supplies and Services Savings	0	(20,000)	(20,000)	(20,000)	(20,000)	John Frost	
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[Following a review of Revenue and Benefit Services' supplies and services budgets, ongoing IT savings of £20,000 have been identified. [See also RB2816]]

S2843	Savings linked to the introduction of a metered system for the supply of electricity on the Market.	0	(7,500)	(15,000)	(15,000)	(15,000)	Emma Thornton	
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[This proposal is linked to the capital bid for £50,000 for the introduction of electricity meters to the market. This proposal will deliver part-year savings in 2012/13 of £7,500 (full year's savings of £15,000 pa from 2013/14). [See also C2808]]

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

S2844	Savings delivered through the increased commercial approach developed by the Visit Cambridge service	0	(40,000)	(40,000)	(40,000)	(40,000)	Emma Thornton	
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These savings will be delivered through a review of the pricing structure on Guided Walking tours, increased revenue on commercial tickets sales (based on current year performance) and Visit Cambridge membership. In addition £1,500 savings have been identified through a thorough review of expenditure. This additional revenue takes into account an increase in online revenue through the new website.

S2845	Freeze the Members' Allowances budget for 2012/13	0	(26,000)	0	0	0	Gary Cliff	
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The Members' Allowances scheme can be frozen for a further year in 2012/13. [See also RB2830]

S2846	Miscellaneous savings in Members Support	0	(1,000)	(1,000)	(1,000)	(1,000)	Gary Cliff	
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There has been a reduction in the demand for printing, postage and stationery in the Members Support cost centre.

S2921	Telephone Savings - Members' Centrex Telephone Lines	0	(5,800)	(5,800)	(5,800)	(5,800)	James Nightingale	
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Cancellation of members' Centrex telephone lines.

Savings		0	(230,940)	(157,840)	(157,840)	(157,840)		
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

Unavoidable Revenue Bids

UR2918	Interest and court costs in respect of the repayment of part of a developer's contribution for affordable housing in the city	0	43,230	0	0	0	Julia Hovells	U
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This unavoidable bid is to meet the revenue costs, both interest of £17,624.22 and court costs of £25,608.20, in respect of the repayment of a proportion of a developer's contribution for affordable housing in the city. A £2.2 million developer contribution was utilised to deliver 117 affordable homes, with payment of £72,000 for the final unit, an adapted bungalow, being delayed due to design and planning constraints. The land on which the bungalow was built was not transferred to a housing association until November 2009, although the technical terms of the agreement with the developer incorporated a deadline of March 2009.

UR2961	Loss of external rental income at Mill Road Depot	0	51,400	0	0	0	Althea Mejias	U
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It is anticipated that the County will relocate the Local Authority Parking Enforcement service from Mill Road Depot in April 2012. This will result in a loss of rental income until a replacement external tenant can be identified.

Unavoidable Revenue Bids	0	94,630	0	0	0
Strategy & Resources - Customer Services & Resources	0	(432,470)	(454,000)	(530,900)	(530,900)

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Strategy & Climate Change

Savings

S2745	Corporate Management - Review of corporate subscriptions	0	(11,000)	(11,000)	(11,000)	(11,000)	Antoinette Jackson	
<i>Reduction in corporate subscription rates to external organisations</i>								
S2746	Corporate Marketing ongoing savings	0	(4,500)	(4,500)	(4,500)	(4,500)	Ashley Perry	
<i>Ongoing savings arising from the renegotiation of supplier contracts for the production of Cambridge Matters magazine and reductions in photography and publicity budgets</i>								
S2748	Reduction in operating costs for corporate strategy	0	(1,870)	(1,870)	(1,870)	(1,870)	Frances Barratt	
<i>Small reduction in operating costs, ongoing, for corporate strategy administration [See also RB2742]</i>								
S2839	Savings on consultants and professional fees	0	(3,000)	(3,000)	(3,000)	(3,000)	David Kidston	
<i>Revision to the Corporate Performance budget to reflect a reduction in anticipated expenditure on consultants and professional fees associated with monitoring corporate performance. This will not have a negative impact on service delivery, as a corporate performance management system is being developed and implemented using existing staff resources in the Strategy and Partnerships team and an online performance benchmarking system is being developed by the Local Government Group which the Council will be able to use free of charge. [See also RB2825]</i>								
S2840	Saving to Corporate Policy budget	0	(11,880)	(11,880)	(11,880)	(11,880)	David Kidston	
<i>It is proposed to revise the Corporate Policy budget to reflect; a reduction in the Books and Publications budget to reflect decreasing expenditure over the past 5 years; a reduction in demand for corporate interpreting services over the past 5 years; and anticipated reduced expenditure on the corporate consultation programme. This will not impact on service delivery because: an increasing number of policy publications and documents are available free of charge online; the total budget for corporate interpreting services will still be higher than total expenditure for the past 3 years; and the revised budget for corporate consultation is sufficient to meet expected activity. [See also RB2826]</i>								

2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Strategy & Climate Change

S2841	Ongoing Saving on core funding for Travel for Work partnership	0	(5,750)	(5,750)	(5,750)	(5,750)	David Kidston	
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[As agreed at Environment scrutiny committee in January 2011. [See also RB2828]]

S2964	Voltage Optimisation Roll Out - Non-Housing Properties	0	0	(4,100)	(4,100)	(4,100)	David Kidston	
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[Following the successful trial of voltage optimisation technology at the Guildhall, this project is to supply and install the technology on a further 2 non-housing sites. Through reduced electricity use, the project is expected to achieve annual savings from the General Fund of £4,100 pa. [See also C2736]]

S2967	Savings from installation of solar thermal panels and/or energy efficiency measures on non-housing Council properties.	0	0	(15,000)	(15,000)	(15,000)	David Kidston	
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[Revenue generated from feed in tariffs and energy bill savings from installation of solar thermal panels on 3 non housing Council properties (C2966) to reduce the Council's carbon footprint. Savings have been calculated net of maintenance costs and are anticipated for the full 20 year lifetime of the feed in tariff scheme and would increase with rising gas prices. [See also C2966]]

S2968	Employee costs reduced	0	(5,600)	(5,600)	(5,600)	(5,600)	Frances Barratt	
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[Saving arising from filling a vacant post at a lower salary]

S2969	Cash limit Sustainable City Grants	0	(1,350)	(1,350)	(1,350)	(1,350)	Jackie Hanson	
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[Cash limit Sustainable City Grants at £50,000 per annum.]

Savings		0	(44,950)	(64,050)	(64,050)	(64,050)		
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2012/13 Budget - Bids & Savings - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Strategy & Climate Change

Unavoidable Revenue Bids

UR2984	Loss of savings (income) expected from cancelled installation of solar PV panels	0	18,700	18,700	18,700	18,700	Andrew Limb	U
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[A capital scheme to introduce Solar PV panels was proposed in 2011/12 budget (C2656). Following a reduction in the return from the Feed In Tariff scheme, this project has now been cancelled. (see bids C281, C2736, C2807 and C2966, and S2964 and S2967, for new renewables and energy efficiency projects and savings) [See also C2982]

Unavoidable Revenue Bids	0	18,700	18,700	18,700	18,700
Strategy & Resources - Strategy & Climate Change	0	(26,250)	(45,350)	(45,350)	(45,350)
Report Total	0	(974,760)	(1,307,890)	(1,384,790)	(1,394,790)

Appendix G (a)

General Fund Projection 2011/12 to 2015/16

Description	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Net spending - Committee totals	19,053,660	16,876,710	16,035,310	15,490,280	15,403,600
Capital Adjustment Account	839,230	839,230	839,230	839,230	839,230
Minimum Revenue Provision Adjustment	(3,972,040)	(3,972,040)	(3,972,040)	(3,972,040)	(3,972,040)
Sub-Total	15,920,850	13,743,900	12,902,500	12,357,470	12,270,790
Contribution to Efficiency Fund	475,000	200,000	0	0	0
Revenue Contribution to Capital	4,511,000	1,381,000	1,380,000	1,380,000	1,380,000
Sub-Total	20,906,850	15,324,900	14,282,500	13,737,470	13,650,790
Council Tax Earmarked for Growth	109,250	86,910	202,210	454,620	1,699,730
Future Years Priority Policy Fund	0	0	500,000	500,000	500,000
MTS 2011 proposals	302,820	768,850	1,393,630	874,490	674,490
BSR Proposals (See table below)	145,420	1,457,040	2,012,170	2,869,420	1,576,870
Sub-Total	21,464,340	17,637,700	18,390,510	18,436,000	18,101,880
Net Savings Requirement	-	-	(1,505,320)	(1,515,260)	(887,350)
Net Spending Requirement to Appendix G (b) below	21,464,340	17,637,700	16,885,190	16,920,740	17,214,530

Budget Setting Report Proposals

Description	2011/12	2012/13	2013/14	2014/15	2015/16
Revised Budget (See Appendix D)	(641,230)	0	0	0	0
Net savings (2012/13 requirement adjusted for New Revenue Budget Proposals shown in Appendices E & F)	0	(844,760)	314,110	287,210	277,210
Capital Funding from -					
- 2011/12 and 2012/13 net savings	0	243,990	0	0	0
- 2012/13 unallocated PPF	0	121,380	0	0	0
- Use of New Homes Bonus 2012/13	0	703,160	0	0	0
- Use GF Reserves above £5m	0	240,840	70,170	954,320	(318,230)
- Contribution to CCF	0	129,050	0	0	0
Bids from Growth Funding	0	45,000	106,350	106,350	96,350
Growth Posts Funded from New Homes Bonus	786,650	818,380	818,380	818,380	818,380
Earmarked New Homes Bonus	-	-	703,160	703,160	703,160
TOTAL	145,420	1,457,040	2,012,170	2,869,420	1,576,870

Appendix G (b)

General Fund – Funding Statement 2011/12 to 2015/16

Name	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Total Net Spending Requirement From Appendix G (a) above	21,464,340	17,637,700	16,885,190	16,920,740	17,214,530

less	External Support					
	Formula Grant including Council Tax Compensation Grant (2012/13 to 2014/15)	(9,515,100)	(8,598,810)	(8,161,400)	(7,740,670)	(7,571,020)
	Council Tax Compensation Grant (2011/12, see Formula Grant)	(169,650)	0	0	0	0
	Council Tax Compensation Grant (new for 2012/13)	0	(171,600)	0	0	0
	New Homes Bonus 2011/12 and 2012/13 announcements	(786,650)	(1,521,540)	(1,521,540)	(1,521,540)	(1,521,540)
	Council Tax Collection Fund deficit	41,580	87,110	0	0	0
	Income from Council Tax	(6,785,900)	(6,831,370)	(7,202,250)	(7,658,530)	(8,121,970)

Contribution (to) / from Reserves to Appendix G (c) below	4,248,620	601,490	0	0	0
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Memorandum Items					
Council Tax Taxbase	40,739	41,012	42,185	43,763	45,278
Band 'D' Council Tax	£166.57	£166.57	£170.73	£175.00	£179.38
Implied annual Council Tax increase	-	0.00%	2.50%	2.50%	2.50%

Appendix G (c)

General Fund - Reserves Projection 2011/12 to 2015/16

Name	2011/12	2012/13	2013/14	2014/15	2015/16
Balance at 1 April brought forward	9,850,110	5,601,490	5,000,000	5,000,000	5,000,000
Contribution (to) / from Reserves from Appendix G (b) above	4,248,620	601,490	0	0	0
Balance at 31 March carried forward	5,601,490	5,000,000	5,000,000	5,000,000	5,000,000

2012/13 Budget - External or Existing Funding

Appendix: Page 1 of 4

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Arts, Sport & Public Places

External Bids

X2768	Growth Sites - Provision of Parks and Open Space/ Play/ Allotments and Nature Conservation	0	15,000	30,000	30,000	30,000	Alistair Wilson	H
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To provide specialist advice on the provision of Parks and Open Space/ Play/ Allotments and Nature Conservation to include; checking quantities; checking specifications; checking methods of working; signing off completion and providing on site supervision/ monitoring of works relating to onsite provision on growth sites. This will be funded from the Council Tax Earmarked for Growth Fund.

External Bids	0	15,000	30,000	30,000	30,000
Community Services - Arts, Sport & Public Places	0	15,000	30,000	30,000	30,000

2012/13 Budget - Existing or External Funding

Appendix: Page 2 of 4

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Community Services - Community Development & Health

External Bids

X2783	Community Development Grant fund for new communities	0	10,000	10,000	10,000	0	Jackie Hanson	H
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Grants for voluntary and community organisations to enable activity in new communities on fringe sites to flourish and to support the integration with neighbouring parts of the city. (to be funded from Council Tax Earmarked for Growth Fund).

X2995	Southern Fringe - Community Development posts funded from Developers Contributions	10,550	85,390	122,920	122,600	120,910	Trevor Woollams	H
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Posts to promote Community Development across the Southern Fringe sites. These will provide a Community Development Worker, Senior Project Worker, 3 Play and Youth Workers (part-time) and a Community Chest as specified in the (Section 106) agreement with the Developers.

External Bids		10,550	95,390	132,920	132,600	120,910		
Community Services - Community Development & Health		10,550	95,390	132,920	132,600	120,910		

2012/13 Budget - External or Existing Funding

Appendix: Page 3 of 4

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Environmental & Waste Services

External Bids

X2803	New part time post to meet the need of increased planning work as a result of growth	0	20,000	20,000	20,000	20,000	Selwyn Anderson	H
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Growth sites and general planning applications have seen a significant growth and the post is required to ensure that full environmental health impacts of developments are considered and acted upon at the planning stage. Failure to address this problem may result in environmental issues being missed which will impact on the community as well as potential delays in the planning system and development process. (to be funded from Council Tax Earmarked for Growth Fund).

External Bids	0	20,000	20,000	20,000	20,000
Environment - Environmental & Waste Services	0	20,000	20,000	20,000	20,000

2012/13 Budget - External or Existing Funding

Appendix: Page 4 of 4

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Planning & Sustainable Transport

External Bids

X2756	Growth related activities using Cambridgeshire Horizons residual funding	91,000	0	0	0	0	Patsy Dell	H
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All councils in Cambridgeshire were invited to bid for funding from the residual funds left by Cambridgeshire Horizons. Assessed against criteria the funds are linked to growth promotion and delivery activities and Cambridge City will receive one off contributions totalling £91,000. The funding is earmarked to three specific purposes: £60,000 for growth delivery project management (see X2770), £6,000 for Clay Farm community facilities project management and £25,000 to North West Cambridge viability modelling/testing. [See also X2770]

X2770	Corporate Growth Programme Management Lead Officer	0	0	46,350	46,350	46,350	Patsy Dell	H
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A need has been identified for a corporate programme manager to lead on the monitoring and management of the council wide programmes of activities supporting the delivery of new neighbourhoods across the City. This person will work with the wider group of heads of service and managers who all have growth as a part of their service responsibilities, to ensure that the overall growth programme is delivered. The funding for 2012/13 can be met from part of the residual Horizons funding set aside for project management support for the delivery of growth (£60k) see X2756. (to be funded from Council Tax Earmarked for Growth Fund). [See also X2756]

External Bids	91,000	0	46,350	46,350	46,350		
Environment - Planning & Sustainable Transport	91,000	0	46,350	46,350	46,350		
Report Total	91,000	45,000	106,350	106,350	96,350		

Summary of Priority Policy Fund Bids (including ESG ratings)
2012/13 Budget

Appendix : I

Ref	Description	2011/12	2012/13	2013/14	2014/15	2015/16	Climate Change Rating
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General Fund

PPF2735	Head of Corporate Strategy		27,500	7,000			Nil
PPF2766	Folk Festival - business development options		25,000				+L
PPF2767	Provide greater range of more culturally diverse activity at The Big Weekend		20,000				Nil
PPF2769	Cambridge City 20mph Zones Project		29,900	29,900			+M
PPF2771	Sports development project for young people at risk of exclusion		12,500	12,500			Nil
PPF2784	Community Engagement Officer		47,000	47,000	47,000	47,000	+L
PPF2785	Youth Officer - 13+ age-group		41,000	41,000	41,000	41,000	Nil
PPF2793	Mill Road Street Co-ordinator		16,000	16,000	16,000		Nil
PPF2798	In-cab technology for the trade waste service		9,000	6,000	6,000	6,000	+M
PPF2799	Targeted waste communications campaign for rented property		7,000	7,000			+L
PPF2800	To continue the Recycling Champions Scheme		16,000	16,000			+M
PPF2821	Street Champion Scheme		15,000	15,000			Nil
PPF2861	Funding for a 0.5 FTE post to set up a Restorative Justice system within the city		17,000	17,000			Nil
PPF2862	Increase in funding for Safer City Revenue Grants		25,350	25,350	25,350	25,350	Nil
PPF2866	Funding to secure consultancy support in respect of the Housing Strategy		10,000				Nil
PPF2909	Contribution towards a post in the Independent Living Service to allow community based support to vulnerable older residents		13,230	13,230	13,230	13,230	Nil
PPF2949	Electronic Market Management System		6,640	6,640	6,640	6,640	Nil
PPF2957	Additional Senior Property Surveyor post in Property Services		38,000	38,000	38,000	38,000	Nil
PPF2962	Funding for a FREEMO licence for electoral services		2,500	2,500	2,500	2,500	Nil
Total Funding Required from PPF : General Fund			378,620	300,120	195,720	179,720	

HRA

PPF2877	Provision of Landlord/Premises and Support Services to Sheltered Housing Tenants		(113,140)	39,710	39,710	39,710	Nil
PPF2879	Support and maintenance and potential future replacement costs for a new Anti-Social Behaviour (ASB) database with an IT Case Management System		8,850	8,850	8,850	8,850	Nil
PPF2881	Funding for continuation of the Family Intervention Project within the city		25,000	25,000			Nil
PPF2904	Funding to increase capacity in the area housing offices for a period of two years		55,570	55,570			Nil
Total Funding Required from PPF : HRA			(23,720)	129,130	48,560	48,560	

2012/13 Budget - Priority Policy Fund - GF

Appendix: Page 1 of 9

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Arts, Sport & Public Places

PPF Bids

PPF2766	Folk Festival - business development options	0	25,000	0	0	0	Elaine Midgley	H
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The bid will support a review of options to appropriately develop the Folk Festival's business opportunities. This will include an analysis of 'invest to save' options, a review of pricing and marketing strategy, and the approach taken towards securing and maximising sponsorship.

PPF2767	Provide greater range of more culturally diverse activity at The Big Weekend	0	20,000	0	0	0	Elaine Midgley	H
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The Big Weekend takes place over three days in the first weekend of July each year and in recent years has begun work with community groups to offer a wider range of cultural activity that reflects the diverse nature of the City.

PPF2771	Sports development project for young people at risk of exclusion	0	12,500	12,500	0	0	Ian Ross	H
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The Council will liaise with the School Sports Partnership and the County Council to offer young people at risk of exclusion from education an opportunity to engage in sport and recreation. The proposal is to create diversionally and development opportunities in partnership with specialist providers in the third sector

PPF Bids		0	57,500	12,500	0	0		
Community Services - Arts, Sport & Public Places		0	57,500	12,500	0	0		

2012/13 Budget - Priority Policy Fund - GF

Appendix: Page 2 of 9

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Community Development & Health

PPF Bids

PPF2784	Community Engagement Officer	0	47,000	47,000	47,000	47,000	Trevor Woollams	H
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A new post providing expertise to support the Council's approach to the Localism agenda and neighbourhood working. The post will work with managers across the Council to encourage active engagement from local residents to shape an agenda relating to the activities of the Council and other agencies. The post will provide community engagement and facilitation skills for a variety of situations, including building priorities for developer contributions for open space and community facility enhancements and outreach work in setting priorities for the work of Area Committees. The bid includes employee costs and a project budget.

PPF2785	Youth Officer - 13+ age-group	0	41,000	41,000	41,000	41,000	Trevor Woollams	H
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As the focal point of the Council's understanding of and work with teenagers, the officer will represent the City Council's agenda within the mixed partnership environment of providers for this age group, support the Council's own capital investment in facilities and work with colleagues and partners to undertake youth projects. The post will work closely with Community Development, Arts & Recreation and Safer Communities and will interpret teenagers' needs for service providers across the Council.

PPF2861	Funding for a 0.5 FTE post to set up a Restorative Justice system within the city	0	17,000	17,000	0	0	Alan Carter	H
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Restorative Justice, which has been adopted elsewhere in the country, seeks to work with partnership organisations and volunteers, to facilitate bringing together offenders and victims, in an attempt to allow the offender to address the impact of their crime, reduce the impact of repeat offending and give the victim a greater sense of justice.

2012/13 Budget - Priority Policy Fund - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Community Development & Health

PPF2862	Increase in funding for Safer City Revenue Grants	0	25,350	25,350	25,350	25,350	Lynda Kilkelly	H
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Historically, Safer City grants have been awarded for both revenue and capital activities. With the devolution and division of the grant budget into smaller sums for Area Committees, the distinction between capital and revenue will introduce an unhelpful constraint on decision making. The grant programme will now be budgeted only as revenue (which can also be used as capital) and this item is offset by the elimination of £17,000 per annum from the capital programme. The balance of £8,350 enables the retention of a small fund centrally for citywide or strategic bids. [See also C2959]

PPF Bids	0	130,350	130,350	113,350	113,350
Community Services - Community Development & Health	0	130,350	130,350	113,350	113,350

2012/13 Budget - Priority Policy Fund - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Community Services - Housing

PPF Bids

PPF2866	Funding to secure consultancy support in respect of the Housing Strategy	0	10,000	0	0	0	Alan Carter	H
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Funding to secure consultancy support to research the impact of national housing policy change on more vulnerable groups of local people. This research will form part of the evidence base for the revised Housing Strategy.

PPF2909	Contribution towards a post in the Independent Living Service to allow community based support to vulnerable older residents	0	13,230	13,230	13,230	13,230	Sally-Jane Williams	H
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This bid is proposed to contribute 50% towards the costs of a post within the Independent Living Service, to work with vulnerable older people across Cambridge City, providing links with the Council's sheltered housing where possible to deliver mutual benefits to residents of Cambridge.

PPF Bids		0	23,230	13,230	13,230	13,230		
Community Services - Housing		0	23,230	13,230	13,230	13,230		

2012/13 Budget - Priority Policy Fund - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Environmental & Waste Services

PPF Bids

PPF2798	In-cab technology for the trade waste service	0	9,000	6,000	6,000	6,000	Jas Lally	H
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Introduction of In-cab technology will enable crews to record information relating to collection issues live on a tablet device in the cab which is then linked to a web based software system. The system will provide an up to date round showing all customers' collections for each day on a display in the collection vehicle. This will help prevent missed calls, the need for return visits and reduce fuel spend for the section. Also information collected will be directly available at the Customer Service Centre enabling officers to answer customer queries more effectively. The bid is to cover the system set up and annual revenue costs of server hosting, warranty, annual support plus data transfer via phone net work. [See also C2929]

PPF2799	Targeted waste communications campaign for rented property	0	7,000	7,000	0	0	Jen Robertson	H
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It was agreed at Environmental Scrutiny Committee on 4/10/11 that a bid would be submitted for a targeted communications campaign designed to raise recycling rates amongst demographic groups less likely to recycle such as short-term residents and those in HMO's. The proposal is to target these groups through landlords and letting agents by providing annual recycling information in a form that can be easily accessible eg in different languages supported by pictorial information and in poster size, for display in communal areas within HMO's. This would also include targeted doorknocking at these properties to distribute information and arrange for posters to be displayed/updated. This work would be supported by volunteer Recycling Champions [See also PPF2800]

PPF2800	To continue the Recycling Champions Scheme	0	16,000	16,000	0	0	Jen Robertson	H
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To fund the continuation of the recycling champions scheme for a further two years, funding the coordinator, support existing volunteers (90 Champions so far) and the recruitment of new volunteers. The scheme was designed in response to research that recognises the value of face to face contact in bringing about behavioural change by delivering leaflets and to help reduce contamination at flats. Since April 2011 the coordinator has also attended 36 events which, with the involvement of recycling champions, has enabled the direct engagement of around 1,500 city residents. For the next two years the bid would enable involvement of recycling champions in issues around contamination, participation monitoring and waste prevention. This bid is linked to the Targeted Waste Communications Campaign as Recycling Champions will support the communications campaign. [See also PPF2799]

2012/13 Budget - Priority Policy Fund - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Environmental & Waste Services

PPF2821	Street Champion Scheme	0	15,000	15,000	0	0	Toni Ainley	H
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The pilot Street Champion scheme will encourage communities to find ways to reduce litter in their area. Working with the Rangers and Streets and Open Spaces the co-ordinator will seek to discourage littering particularly outside the City Centre, a need identified in recent survey work. There is a requirement for a co-ordinator to lead on this for approx 20 hours per week.

PPF Bids		0	47,000	44,000	6,000	6,000		
Environment - Environmental & Waste Services		0	47,000	44,000	6,000	6,000		

2012/13 Budget - Priority Policy Fund - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Environment - Planning & Sustainable Transport

PPF Bids

PPF2769	Cambridge City 20mph Zones Project	0	29,900	29,900	0	0	Patsy Dell	H
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Implementation of new 20mph zones across the City. Funding proposal covers the staffing resource and there is a separate linked capital bid for the physical works involved (signing, lining etc). Bid is for 2 years funding, which would provide a City-wide approach. [See also C2755]

PPF Bids

0	29,900	29,900	0	0
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Environment - Planning & Sustainable Transport

0	29,900	29,900	0	0
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2012/13 Budget - Priority Policy Fund - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

PPF Bids

PPF2793	Mill Road Street Co-ordinator	0	16,000	16,000	16,000	0	Emma Thornton	H
<p><i>This proposal is to appoint a part time Mill Road Street Co ordinator (0.5 FTE) on a fixed term basis for a period of 3 years. Key objectives would be 1) To promote the vitality and viability of Mill Road linking in with Love Cambridge and other networks across the city 2) To develop a sustainable Mill Road Street Association 3) Through this develop a mechanism through which Mill Road businesses can engage with the City and County Councils to address current Mill Road issues 4) Work with Love Cambridge and key council officers to develop an Action/Business Plan delivering improvements in marketing, accessibility, environmental issues and safety and security. The aim is that this should be a task and finish role which at the end of 3 years will have developed a sustainable funding solution to ensure work continues in the longer term.</i></p>								
PPF2949	Electronic Market Management System	0	6,640	6,640	6,640	6,640	Emma Thornton	H
<p><i>This bid is for the annual revenue costs connected to the introduction of an Electronic Markets system. These include Serco Server & database support, Suppliers system and equipment annual maintenance and R&R costs. [See also C2809]</i></p>								
PPF2957	Additional Senior Property Surveyor post in Property Services	0	38,000	38,000	38,000	38,000	Philip Doggett	H
<p><i>An additional Senior Property Surveyor post to facilitate an increase in proactive management of the Property Services portfolio together with asset management activity relating to the investment in, and development of, existing assets.</i></p>								
PPF2962	Funding for a FREEPOST licence for electoral services	0	2,500	2,500	2,500	2,500	Gary Cliff	H
<p><i>To provide a FREEPOST address to enable electors to send voter application forms to electoral services free of charge throughout the year. This will be funded for one year initially to assess the impact on electoral registration applications against the costs involved.</i></p>								
PPF Bids		0	63,140	63,140	63,140	47,140		
Strategy & Resources - Customer Services & Resources		0	63,140	63,140	63,140	47,140		

2012/13 Budget - Priority Policy Fund - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Strategy & Resources - Strategy & Climate Change

PPF Bids

PPF2735	Head of Corporate Strategy	0	27,500	7,000	0	0	Antoinette Jackson	H
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The post of Head of Corporate Strategy was originally recruited as a two-year fixed term post due to end in November 2012. The post manages the Strategy and Partnerships team, Democratic Services and Corporate Marketing and supports the Strategic Leadership team to deliver on corporate projects and strategy development. Given the extent of change the organisation still needs to manage over the next two years this bid seeks to extend the post until the end of April 2013.

PPF Bids

0	27,500	7,000	0	0
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Strategy & Resources - Strategy & Climate Change

0	27,500	7,000	0	0
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Report Total

0	378,620	300,120	195,720	179,720
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2012/13 Budget - Priority Policy Fund - HRA

Appendix: Page 1 of 2

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

PPF Bids

PPF2877	Provision of Landlord/Premises and Support Services to Sheltered Housing Tenants	0	(113,140)	39,710	39,710	39,710	Sally-Jane Williams	H
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This bid is to supplement staffing in the Sheltered Housing Service, delivering enhanced housing management services in light of continued County Council Supporting People Grant reductions. The bid will enable continuation of regular tenants meetings and activities to prevent social isolation, dealing with neighbour disputes, assisting vulnerable tenants in sheltered housing to avoid social isolation.

PPF2879	Support and maintenance and potential future replacement costs for a new Anti-Social Behaviour (ASB) database with an IT Case Management System	0	8,850	8,850	8,850	8,850	Lynda Kilkelly	H
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The current ASB IT system is not a case management tool. It does not integrate with the Orchard system used by ASB and housing officers. It is highly deficient as a reporting tool. A new system can be expected to lead to service delivery improvements as case monitoring and management, and higher level performance management and reporting information, is substantially improved. A capital bid is included for the purchase of the system, with this revenue bid to meet the ongoing operational costs. [See also C2907, S2867, RB2882, UR2880]

PPF2881	Funding for continuation of the Family Intervention Project within the city	0	25,000	25,000	0	0	Liz Bisset	H
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Funding to contribute to the existing Family Intervention Project, managed by the County Council, to allow continued delivery of enhanced specialist support to vulnerable residents with large families in Council tenancies in the city (2 years only)

2012/13 Budget - Priority Policy Fund - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

PPF2904	Funding to increase capacity in the area housing offices for a period of two years	0	55,570	55,570	0	0	Robert Hollingsworth	H
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A combination of the changes to staffing structures as a result of the introduction of the Customer Service Centre, and the subsequent economic downturn has had a negative impact on the ability of housing staff to proactively recover arrears, with the resulting need for an increase in housing staff, particularly to address the impact of the welfare benefit reforms.

PPF Bids		0	(23,720)	129,130	48,560	48,560		
Housing Revenue Account		0	(23,720)	129,130	48,560	48,560		
Report Total		0	(23,720)	129,130	48,560	48,560		

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Housing Revenue Account					
Revised Budget					
RB2868	Reduction in repairs administration operational budgets	(5,000)	Yes	(5,000)	Bob Hadfield
	<i>[It is proposed to reduce operational budgets in respect of the use of occupational therapists across the repairs administration service, in line with prior year expenditure]</i>				
RB2870	Reduction in staffing budget in Leasehold Services	(5,210)	Yes	(5,210)	Andrew Latchem
	<i>[A saving is anticipated by virtue of reducing the budget for the Leasehold Services Manager to reflect the 25 hours per week that the current post holder works. Any future decision to increase the hours, would be anticipated to be offset by recharges to leaseholders]</i>				
RB2873	Removal of inflationary element of area office costs budget	(1,870)	Yes	(2,690)	Julia Hovells
	<i>[The lease for the south area housing office allows for a rent review every 5 years. Inflation applied in the interim can be treated as a saving, recognising the need to bid for a greater increase in budget at the 5 year review point if the office lease is renewed]</i>				
RB2876	Reduction in staffing in the Independent Living and Floating Support Services in line with savings agreed with Supporting People for 2011/12 onwards	(68,270)	Yes	(68,240)	Sally-Jane Williams
	<i>[Post the budget process for 2011/12, Supporting People imposed a 15% saving target on the services funded through Supporting People grant. To meet the reduction in anticipated income, the HRA deleted 2.19 FTE Independent Living Service posts during 2011/12, when staff were either due to retire or fixed term contracts came to an end and agreed not to fill vacant hours in the Floating Support Team while awaiting transfer to a new provider]</i>				
RB2882	Reduction in operational cost budgets for the Anti-Social Behaviour Team	(4,680)	Yes	(8,880)	Lynda Kilkelly
	<i>[A restructure in the team has facilitated a reduction in operational budgets of £1,020 per annum. In addition to this a reduction in the legal cost budget is proposed, based upon a reduced call on the budget in the last three years, recognising the responsive nature of this activity and the potential need to bid for resources in future years if the need arises. [See also C2907, S2867, PPF2879]</i>				

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Housing Revenue Account					
RB2885	Net additional service charge income	(47,750)	Yes	(10,180)	Julia Hovells
<p>A net increase in service charge income is anticipated in 2011/12 compared to original budgets, particularly as a result of further installations of gas central heating and a reduction in the level of void sheltered properties as the refurbishment programme nears completion. The saving is partially offset by under-achievement in income in respect of Ditchburn Place</p>					
RB2887	Reduction in garage rental income	21,250	Yes	23,430	Julia Hovells
<p>A reduction is anticipated in garage rental income due to an increase in the number of void garages. The waiting list for garages is far less than the number of vacant garages available for letting, with those on the list waiting for garages in specific areas, adjacent to their homes [See also UR2888]</p>					
RB2890	Reduction in income to the HRA from the General Fund in respect of shared amenities	27,000	Yes	29,620	Julia Hovells
<p>Reduction in anticipated recharge from the HRA in respect of shared amenities, based upon actual costs incurred in 2010/11 [See also RB2864]</p>					
RB2893	Reduction in Supporting People income in respect of sheltered and supported housing services , in line with savings agreed with Supporting People for 2011/12 onwards and an increase in void levels	69,040	Yes	69,290	Sally-Jane Williams
<p>Post the budget process for 2011/12, Supporting People imposed a 15% saving target on the services funded through Supporting People grant. To meet this reduction in income, the HRA deleted 2.19 FTE Independent Living Service posts during 2011/12, when staff were either due to retire or fixed term contracts came to an end and agreed not to fill vacant hours in the Floating Support Service. This bid also includes the impact of an increase in void levels in supported housing, also impacting support income for the year.</p>					
RB2894	Savings in Strategic Housing HRA Operational Costs	(26,000)	Yes	(26,000)	Julia Hovells
<p>In line with underspending in 2010/11, it is proposed to reduce operational budgets, such as training, stationery, consultants, recruitment and bank charges, where expenditure in prior years has been less than budgeted.</p>					
RB2898	Reduction in electricity budgets in housing communal areas	(30,030)	Yes	(30,030)	Robert Hollingsworth
<p>The introduction of smartmeters ensures that electricity is now charged based on actual readings, with the confidence this gives indicating that the budgets held are greater than required</p>					

Reference	Description / Justification	2011/12 Revised Budget £	Ongoing Effect	Anticipated 2012/13 Effect £	Contact Name
Housing Revenue Account					
RB2905	Savings in City Homes Operational Costs	(29,400)	Yes	(29,400)	Robert Hollingsworth
	<i>In line with underspending in 2010/11, it is proposed to reduce operational budgets, such as training, stationery and printing, where expenditure in prior years has been less than budgeted.</i>				
RB2973	Increase in day to day repairs budget in 2011/12	250,000	No	0	Bob Hadfield
	<i>An additional sum is proposed to be included in the responsive repairs budget for 2011/12, in recognition of additional response maintenance input from staff transferring to Apollo as part of the externalisation of the planned maintenance contract. Staff were deployed between April and mid July in delivering a reduced planned maintenance programme, with a greater degree of responsive works being delivered, ensuring a smoother transition to the new provider and a minimised amount of work in progress. This increase in budget is directly offset by a reduction in the planned revenue repairs budget for 2011/12. [See also RB2974]</i>				
RB2974	Reduction in planned revenue repairs budget in 2011/12	(250,000)	No	0	Bob Hadfield
	<i>A reduction in the planned revenue repairs budget is proposed for 2011/12, in recognition of the reduced planned programme undertaken internally between April and mid July 2011, pending the transfer of staff to Apollo, as part of the externalisation of planned maintenance. Staff were re-deployed between April and mid July in delivering a reduced planned programme, with a greater degree of responsive works being delivered, ensuring a smoother transition to the new provider and a minimised amount of work in progress. This reduction in budget is directly offset by an increase in the responsive repairs budget for 2011/12. [See also RB2973]</i>				
RB2988	Funding in 2011/12 to meet the anticipated cost of arranging borrowing for HRA Self-Financing	75,030	No	0	Julia Hovells
	<i>A revised budget bid of £75,030 is proposed to meet the costs of arranging borrowing of £214,384,000 to meet the requirements of HRA Self-Financing on 28th March 2012. The bid is based upon an assumption that funding is secured through PWLB at the level that is incorporated in the draft self-financing determination. The authority expects to be recompensed for the interest incurred in 2011/12 via the existing HRA Subsidy System.</i>				
RB2989	Over-achievement in rent income in 2011/12	(73,480)	No	0	Julia Hovells
	<i>Rent income for 2011/12 is expected to be greater than anticipated due to a reduction in the level of void properties in the year.</i>				
Total Revised Budget		(99,370)		(63,290)	
Total Housing Revenue Account		(99,370)		(63,290)	

2012/13 Budget - Bids & Savings - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

Service Reviews

SR2913	Saving to be delivered through restructure of Strategic Housing Services	0	(6,760)	(6,760)	(6,760)	(6,760)	Alan Carter	
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This saving includes the impact of reviewing the structures and service delivery methods of the Home Improvement Agency, Housing Options, CBL, Homelessness and Housing Strategy, and will result in some staffing reductions overall, with an impact for the HRA in respect of some of these areas

SR2926	Customer service centre budget efficiencies.	0	(23,000)	(23,000)	(23,000)	(23,000)	Jonathan James	
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Savings from the Customer service centre budget made through efficiencies in introducing a payment kiosk and self serve, changes to guildhall reception and switchboard, implementation of channel shift strategy and income from partnership work with St Albans. Further savings will be realised through the implementation of e-benefits and e-council tax. (Anticipated HRA share.) [See also C2740 R2749]

SR2927	Legal Staff Saving	0	(11,760)	(11,760)	(11,760)	(11,760)	Simon Pugh	
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Two members of the Legal team have reduced their working hours from full time to three days a week. This equates to 0.8 fte. We believe that we can cope with present workloads with this reduced staffing, although we will have reduced capacity to respond if workload increases. (Anticipated HRA share.) [See also SR2854]

SR2932	Savings from a range of Human Resources account codes	0	(10,700)	(10,700)	(10,700)	(10,700)	Sue Dawson	
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Savings from Human Resources operating costs across a range of supplies and services including consultancy - anticipated HRA share

SR2933	Proposed savings from HR Operations	0	(5,520)	(5,520)	(5,520)	(5,520)	Sue Dawson	
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Savings of £24,000 from salaries as part of HR Service Review, HR Business Partner post - anticipated HRA share.

SR2935	Savings on Human Resources staffing costs	0	(5,860)	(5,860)	(5,860)	(5,860)	Sue Dawson	
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Reduced hours for Diversity Adviser post, now shared with South Cambs District Council, and deletion of vacant Business Partner post.

2012/13 Budget - Bids & Savings - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
SR2946	Review of Building Cleaning	0	(12,000)	(24,000)	(24,000)	(24,000)	Toni Ainley	
<div style="border: 1px dashed black; padding: 5px;"> <i>Review of building cleaning [See also S2945 UR2956]</i> </div>								
SR2951	Savings arising from Support Services review	0	(20,000)	(20,000)	(20,000)	(20,000)	Julia Hovells	
<div style="border: 1px dashed black; padding: 5px;"> <i>The delivery of finance and administrative support throughout the Council is being reviewed with the anticipation of savings being identified by 2012/13 [See also SR2952]</i> </div>								
Service Reviews		0	(95,600)	(107,600)	(107,600)	(107,600)		

2012/13 Budget - Bids & Savings - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

Savings

S2869	Reduction in repairs administration operational budgets	0	(10,000)	(10,000)	(10,000)	(10,000)	Bob Hadfield	
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It is proposed to reduce operational budgets in respect of service subscriptions, telephones and the use of occupational therapists across the repairs administration service, in line with prior year expenditure

S2871	Reduction in staffing budget in Leasehold Services	0	(5,210)	(5,210)	(5,210)	(5,210)	Andrew Latchem	
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A saving is anticipated by virtue of reducing the budget for the Leasehold Services Manager to reflect the 25 hours per week that the current post holder works. Any future decision to increase the hours, would be anticipated to be offset by recharges to leaseholders

S2872	Net savings in Temporary Housing Operational Costs	0	(240)	(240)	(240)	(240)	Robert Hollingsworth	
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It is proposed to reduce operational budgets, such as printing and health and safety, where expenditure in prior years has been less than budgeted

S2874	Removal of inflationary element of area office costs budget	0	(2,690)	(2,690)	(2,690)	(2,690)	Julia Hovells	
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The lease for the south area housing office allows for a rent review every 5 years. Inflation applied in the interim can be treated as a saving, recognising the need to bid for a greater increase in budget at the 5 year review point if the office lease is renewed

S2875	Reduction in production costs for Open Door	0	(2,410)	(2,410)	(2,410)	(2,410)	Marella Hoffman	
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With printing costs kept to a minimum, maximising the design work that can be carried out in-house, it is proposed to reduce the Open Door publication budget in line with anticipated future costs

2012/13 Budget - Bids & Savings - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

S2878	Reduction in staffing in the Independent Living Service in line with savings agreed with Supporting People for 2011/12 onwards	0	(68,240)	(68,240)	(68,240)	(68,240)	Sally-Jane Williams	
<p><i>Post the budget process for 2011/12, Supporting People imposed a 15% saving target on the services funded through Supporting People grant. To meet the reduction in anticipated income, the HRA deleted 2.19 FTE Independent Living Service posts during 2011/12, when staff were either due to retire or fixed term contracts came to an end. This saving represents the full year impact of the changes that have already been made in practice [See also UR2892]</i></p>								
S2883	Reduction in operational cost budgets for the Anti-Social Behaviour Team	0	(8,880)	(8,880)	(8,880)	(8,880)	Lynda Kilkelly	
<p><i>A restructure in the team has facilitated a reduction in operational budgets of £1,020 per annum. In addition to this a reduction in the legal cost budget is proposed, based upon a reduced call on the budget in the last three years, recognising the responsive nature of this activity and the potential need to bid for resources in future years if the need arises.</i></p>								
S2884	Deletion of Customer Care and Project Manager and replacement with part time Administrator post in the Independent Living Service	0	(21,640)	(21,640)	(21,640)	(21,640)	Sally-Jane Williams	
<p><i>Deletion of vacant full time Customer Care & Project Manager post and replacement with a part time Administrator, in line with trial that has taken place during 2011/12 that has proven successful</i></p>								
S2886	Additional service charge income in respect of 2 new caretakers	0	(37,580)	(37,580)	(37,580)	(37,580)	Julia Hovells	
<p><i>The cost of a bid for the introduction of 2 new caretakers for the Abbey and Kings Hedges wards, will be fully met by service charge income, following consultation with residents before the introduction of the service [See also B2896]</i></p>								

2012/13 Budget - Bids & Savings - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
S2889	Additional service charge income	0	(10,180)	(10,180)	(10,180)	(10,180)	Julia Hovells	
<p><i>Additional service charge income is anticipated in 2012/13, particularly as a result of further installations of gas central heating and a reduction in the level of void sheltered properties as the refurbishment programme nears completion</i></p>								
S2895	Savings in Strategic Housing HRA Operational Costs	0	(26,000)	(26,000)	(26,000)	(26,000)	Julia Hovells	
<p><i>In line with underspending in 2010/11, it is proposed to reduce operational budgets, such as training, stationery, consultants, recruitment and bank charges, where expenditure in prior years has been less than budgeted</i></p>								
S2899	Reduction in electricity budgets in housing communal areas	0	(30,030)	(30,030)	(30,030)	(30,030)	Robert Hollingsworth	
<p><i>The introduction of smartmeters ensures that electricity is now charged based on actual readings, with the confidence this gives indicating that the budgets held are greater than required</i></p>								
S2902	Reduction in responsive and void repair budgets in line with anticipated stock reductions	0	(15,470)	(15,470)	(15,470)	(15,470)	Bob Hadfield	
<p><i>As in previous years, it is proposed to reduce the base budget for responsive and void repairs in a formulaic way in recognition of the anticipated reduction in stock numbers through right to buy and other disposals. Any further efficiencies achievable or pressures requiring address will be identified as separate bids or savings</i></p>								
S2903	Removal of budget for premises related costs at Seymour Court	0	(32,500)	(32,500)	(32,500)	(32,500)	Julia Hovells	
<p><i>As Seymour Court is now vacant in readiness for re-development as mixed tenure housing, any residual ongoing premises related costs will be met from the capital re-development budget</i></p>								
S2906	Savings in City Homes Operational Costs	0	(29,400)	(29,400)	(29,400)	(29,400)	Robert Hollingsworth	
<p><i>In line with underspending in 2010/11, it is proposed to reduce operational budgets, such as training, stationery and printing, where expenditure in prior years has been less than budgeted</i></p>								

2012/13 Budget - Bids & Savings - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

S2986	Savings from installation of solar thermal panels and/or energy efficiency measures on housing properties.	0	(3,800)	(3,800)	(3,800)	(3,800)	Sam Griggs	
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Revenue generated from feed in tariffs (£3,800pa) from installation of solar thermal panels on 1 housing property to reduce the Council's carbon footprint. Savings have been calculated net of maintenance costs and are anticipated for the full 20 year lifetime of the feed in tariff scheme and would increase with rising gas prices. The panels will also reduce the gas bill for this property by approximately £2,700pa. Tenants within this property will receive this savings through a reduction in their Service Charge. [See also C2965]

Savings		0	(304,270)	(304,270)	(304,270)	(304,270)		
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2012/13 Budget - Bids & Savings - HRA

Appendix: Page 7 of 10

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

Unavoidable Revenue Bids

UR2880	Reduction in recharge from the HRA in respect of the General Fund share of ASB costs	0	810	810	810	810	Lynda Kilkelly	U
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A net decrease in the General Fund contribution towards the costs of ASB is anticipated, due to the impact of reduced operational costs (reduction in legal fees budget), more than offset by the increased costs associated with a new ASB Case Management System [See also C2907, RB2882, PPF2879]

UR2888	Reduction in garage and commercial property rental income	0	29,300	29,300	29,300	29,300	Julia Hovells	U
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A reduction is anticipated in garage rental income due to an increase in the number of void garages. The waiting list for garages is far less than the number of vacant garages available for letting, with those on the list waiting for garages in specific areas, adjacent to their homes. [See also RB2887]

UR2891	Reduction in income to the HRA from the General Fund in respect of shared amenities	0	27,000	27,000	27,000	27,000	Julia Hovells	U
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Reduction in anticipated recharge from the HRA in respect of shared amenities, based upon actual costs incurred in 2010/11

UR2892	Reduction in Supporting People income in respect of the sheltered housing service, in line with savings agreed with Supporting People for 2011/12 onwards	0	69,290	69,290	69,290	69,290	Sally-Jane Williams	U
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Post the budget process for 2011/12, Supporting People imposed a 15% saving target on the services funded through Supporting People grant. To meet this reduction in income, the HRA deleted 2.19 FTE Independent Living Service posts during 2011/12, when staff were either due to retire or fixed term contracts came to an end. This bid represents the full year impact of the loss of income through Supporting People [See also S2878]

2012/13 Budget - Bids & Savings - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

UR2897	Bid to address removal of staffing turnover allowance in caretaking budgets and to budget fully for additional hours delivered in the general housing at Ditchburn Place	0	7,750	7,750	7,750	7,750	Robert Hollingsworth	U
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Including a staff turnover allowance in budgeting for caretakers is not appropriate, as service standards require that we cover any vacancies with temporary staff. The cost of caretaking hours delivered in the general housing at Ditchburn Place have been recovered in service charges, but have always been met through staff working additional hours that have not been incorporated in the expenditure budget

UR2900	Increase in the costs of the Gas Maintenance Contract	0	40,000	40,000	40,000	40,000	Chris Brown	U
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New installations in council homes have resulted in an increase in the gas maintenance contract sum, coupled with the additional costs of operating a 10 month programme

UR2901	Ongoing costs associated with the installation of dry risers at Kingsway	0	1,000	1,000	1,000	1,000	Chris Brown	U
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The installation of dry risers at Kingsway, to meet the latest fire safety regulations, results in the need for a budget for the ongoing inspection of the installations

UR2910	Bid to fund anticipated additional costs of existing HRA employees	0	820	820	820	820	Julia Hovells	U
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As in prior years, the incidence of staff retained or staff recruited to at various points within pay bands, results in small savings or unavoidable revenue bids in any one year, to match the actual costs that will be incurred to those assumed in budget working papers where inflation is applied at an average rate

UR2956	Reduction in Communal Cleaning and Premises Service Charges	0	12,000	24,000	24,000	24,000	Julia Hovells	U
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The review of service delivery for building cleaning, which is anticipated to deliver a saving to the Housing Revenue Account, will result in the passing on of these reduced costs in the form of lower service charges for tenants and leaseholders [See also SR2946]

2012/13 Budget - Bids & Savings - HRA

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

UR2983	Loss of savings (income) expected from cancelled installation of solar PV panels	0	14,920	14,920	14,920	14,920	Sam Griggs	U
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A capital scheme to introduce Solar PV panels was proposed in 2011/12 budget [C2655]. Following a reduction in the return from the Feed In Tariff scheme, this project has now been cancelled. See C2965 for new renewable energy project [See also C2981]

Unavoidable Revenue Bids

0	202,890	214,890	214,890	214,890
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2012/13 Budget - Bids & Savings - HRA

Appendix: Page 10 of 10

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Ctee Priority (Bids)
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Housing Revenue Account

Bids

B2896	Funding for two additional caretaker posts across housing estates	0	37,580	37,580	37,580	37,580	Andrew Latchem	H
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[This bid provides for two additional caretakers to service the Abbey and Kings Hedges wards, where caretaking services have not previously been provided. This new service will be funded through service charges to tenants and leaseholders, following full consultation. [See also S2886]

Bids	0	37,580	37,580	37,580	37,580	
Housing Revenue Account	0	(159,400)	(159,400)	(159,400)	(159,400)	
Report Total	0	(159,400)	(159,400)	(159,400)	(159,400)	

Appendix M

Capital & Revenue Projects Plan

Capital Ref. Cost Centre	Description	Lead Officer	Capital Scheme Approval (£000's)	Spend to Date	Current Year Budget (£000's)	2012/13 (£000's)	2013/14 (£000's)	2014/15 (£000's)	2015/16 (£000's)
SC033B	CCTV Street Lighting	A Preston	47	7	40	0	0	0	0
SC072	Poster Boards	N Jones	33	32	4	0	0	0	0
SC106	Enhance Existing Community Facilities - East Chesterton	T Woollams	145	118	27	0	0	0	0
SC163	Compulsory Purchase Orders (CPOs)	S Anderson	411	11	400	0	0	0	0
SC192	Development Land on the North Side of Kings Hedges Road	P Doggett	5,568	5,167	182	178	74	0	0
SC210	Hard Surface Cherry Hinton Hall Car Park	I Ross	68	64	0	0	0	0	0
SC215	Christ's Piece - Trees/Landscaping (S106)	A French	11	10	7	0	0	0	0
SC221b	Lion Yard - Contribution to Works Phase 2	P Doggett	641	44	931	942	0	0	0
SC221c	Lion Yard - Contribution to Works - Phase 2	P Doggett	942	0	0	0	0	0	0
SC234	Histon Road Cemetery Landscaping (S106)	A Wilson	31	24	9	0	0	0	0
SC282	Kettle's Yard	G Saxby	40	0	40	0	0	0	0
SC283	City Centre Youth Venue (S106)	T Woollams	100	0	100	0	0	0	0
SC312	Automated Energy Monitoring System	J Stocker	35	12	23	0	0	0	0
SC329	Corporate Document Management (DIP & EDM)	J Nightingale	978	533	454	0	0	0	0
SC335	Customer Access Strategy - IT Workstream	C Bolton	773	533	122	0	0	0	0
SC338	Customer Access Strategy - Web Development	A Perry	35	23	0	0	0	0	0
SC347	Histon Road - Refurbishment of play area (S106)	A Preston	75	63	12	0	0	0	0
SC348	Allotment Improvements (S106)	A Wilson	34	18	17	0	0	0	0
SC349	Fencing and Security at Jesus Green Pool	I Ross	30	8	22	0	0	0	0
SC350	Improvements to pump out facility at Jesus Green	A Wilson	60	56	0	0	0	0	0
SC351	Memorial Choice	T Lawrence	110	110	5	0	0	0	0
SC361	Disabled Access and Facilities - Guildhall Halls	G Saxby	80	0	80	0	0	0	0
SC362	Lighting and Power in Committee Rooms	J Stocker	15	0	15	0	0	0	0
SC366	Green Parking Bays	S Cleary	5	3	2	0	0	0	0
SC368	GIS Phase 2 & 3	P Boucher	57	12	1	0	0	0	0
SC379	Mercury Abatement	T Lawrence	2,023	537	1,995	0	0	0	0
SC385	Energy Efficiency Programme - Meadows	T Woollams	62	43	19	0	0	0	0
SC386	HMOs - Management Orders	S Anderson	50	0	50	0	0	0	0
SC391	La Mimosa Punting Station	P Doggett	10	0	10	0	0	0	0
SC396	Ravensthorpe Gardens - Remedial & Improvement Work	D Kaye	25	0	25	0	0	0	0
SC405	Improvements to play areas & open space at land behind St Matthews Street (S106)	I Ross	120	129	1	0	0	0	0
SC406	The Junction Development Programme (S106)	T Woollams	130	128	2	0	0	0	0
SC410	Mill Road Cemetery	A Wilson	50	23	35	0	0	0	0
SC414	Property Accreditation Scheme	J Dicks	100	69	72	0	0	0	0
SC416	UNiform e-consultee Access Module	P Boucher	15	5	10	0	0	0	0
SC417	Development of UNiform System	P Boucher	15	1	14	0	0	0	0
SC420	Corrosion Monitoring System at Park Street	S Cleary	47	46	2	0	0	0	0
SC421	E&P Server Replacements	P Boucher	55	50	5	0	0	0	0

Capital Ref. Cost Centre	Description	Lead Officer	Capital Scheme Approval (£000's)	Spend to Date	Current Year Budget (£000's)	2012/13 (£000's)	2013/14 (£000's)	2014/15 (£000's)	2015/16 (£000's)
SC423	Recycling Bins for Flats	J Robertson	185	63	127	0	0	0	0
SC427	Oracle Financials Server	J Minns	67	39	50	0	0	0	0
SC429	Telephony System Upgrade	J Nightingale	70	19	20	50	0	0	0
SC432	Mill Road Cemetery Memorial Artwork (S106)	A Preston	62	8	57	0	0	0	0
SC433	Snowy Farr Memorial Artwork (S106)	A Preston	70	13	64	0	0	0	0
SC434	Floodlit AstroTurf - Chesterton Community College and Netherhall School (S106)	I Ross	270	70	200	0	0	0	0
SC435	Biodiversity Projects Year 2&3	G Belcher	99	158	0	0	0	0	0
SC436	Pye's Pitch Rec Facilities (S106)	I Ross	100	15	85	0	0	0	0
SC439	LED Lighting - Grand Arcade Annex Car Park	S Cleary	120	6	115	0	0	0	0
SC440	King George V Rec Ground (consolidated) (S106)	T Woollams	458	426	32	0	0	0	0
SC441	Sheeps Green Canoe Clubhouse Extension (S106)	I Ross	195	190	165	0	0	0	0
SC445	Monitors for use with Document Management System	P Boucher	30	32	6	0	0	0	0
SC448	Rebuild Grafton West Car Park Wall at Salmon Lane	S Cleary	100	82	95	0	0	0	0
SC449	Holy Trinity War Memorial Shelter	J Preston	24	1	23	0	0	0	0
SC450	Changing Facilities at Cherry Hinton Village Centre (S106)	I Ross	70	0	70	0	0	0	0
SC452	Climbing Wall at Kelsey Kerridge Sports Centre (S106)	I Ross	60	95	47	0	0	0	0
SC453	Upper River Cam Biodiversity Project (S106)	G Belcher	130	12	118	0	0	0	0
SC454	Logans Meadow Swift Tower (S106)	G Belcher	35	40	27	0	0	0	0
SC455	Logans Meadow LNR Extension (S106)	G Belcher	190	2	188	0	0	0	0
SC456	Coldhams Common LNR Extension (S106)	G Belcher	62	3	48	6	5	0	0
SC458	Capita Re-Licence	J James	61	56	5	0	0	0	0
SC460	Kings Hedges Learners Pool Electricity	I Ross	25	0	25	0	0	0	0
SC461	Jesus Green Skatepark Upgrade (S106)	I Ross	65	57	65	0	0	0	0
SC465	Upper River Cam Biodiversity Public Art (S106)	A Preston	29	0	29	0	0	0	0
SC466	Air Monitoring Equipment	J Dicks	120	0	120	0	0	0	0
SC468	Vie Play Area	I Ross	30	36	0	0	0	0	0
SC469	Vie Public Open Space (S106)	I Ross	175	134	130	0	0	0	0
SC471	Parkside Changing Rooms	D Kaye	350	0	350	0	0	0	0
SC472	Cherry Hinton Hall Vending Kiosk (S106)	A Preston	150	0	15	135	0	0	0
SC473	Cherry Hinton Hall Pond & Lake Restorations (S106)	A Preston	250	0	25	225	0	0	0
SC474	Cherry Hinton Hall Tree Planting (S106)	I Ross	75	0	5	70	0	0	0
SC475	Nightingale Rec Pavilion Refurbishment (S106)	I Ross	228	0	18	210	0	0	0
SC476	Water Play Area Abbey Paddling Pool (S106)	I Ross	130	0	125	5	0	0	0
SC477	Coleridge Paddling Pool Enhancement (S106)	I Ross	165	0	160	5	0	0	0
SC478	Water Play Area Kings Hedges "Pulley" (S106)	I Ross	130	0	125	5	0	0	0
SC479	Abbey Pool Play Area Facilities (S106)	A Preston	114	0	110	4	0	0	0
SC480	Alexander Gardens Play Area (S106)	A Preston	75	0	72	3	0	0	0
SC481	Climbing Boulders at Cherry Hinton Hall (S106)	A Preston	32	0	32	0	0	0	0

Capital Ref - Cost Centre	Description	Lead Officer	Capital Scheme Approval (£000's)	Spend to Date	Current Year Budget (£000's)	2012/13 (£000's)	2013/14 (£000's)	2014/15 (£000's)	2015/16 (£000's)
SC482	Cherry Hinton Hall Tennis Court (\$106)	A Preston	67	0	65	2	0	0	0
SC483	Coldhams Common BMX Track Enhancement (\$106)	A Preston	22	0	20	2	0	0	0
SC484	Coldhams Common Climbing Facility (\$106)	A Preston	62	0	60	2	0	0	0
SC485	Coldhams Common Skate Park (\$106)	A Preston	140	0	135	5	0	0	0
SC486	Coleridge Rec Skateboarding & BMX Trail (\$106)	A Preston	52	0	50	2	0	0	0
SC487	Colderidge Rec Landscaping & High Wire Climbing (\$106)	A Preston	40	0	38	2	0	0	0
SC488	Coleridge Rec Informal Games Area (\$106)	A Preston	55	0	53	2	0	0	0
SC489	Coleridge Rec Tennis Court (\$106)	A Preston	67	0	65	2	0	0	0
SC490	Dundee Close Play Area (\$106)	A Preston	48	0	46	2	0	0	0
SC491	Public Information in Play & Recreation Areas (\$106)	A Preston	125	0	125	0	0	0	0
SC492	Jesus Green Play Area (\$106)	A Preston	178	0	175	3	0	0	0
SC493	Jesus Green Tennis Court (\$106)	A Preston	92	1	90	2	0	0	0
SC494	Kings Hedges "Pulley" Play Area (\$106)	A Preston	75	0	73	2	0	0	0
SC495	The Meadows Outdoor Rec Area (\$106)	A Preston	62	0	60	2	0	0	0
SC496	Petersfield Play Area (\$106)	A Preston	78	0	76	2	0	0	0
SC497	Peveral Road Play Area (\$106)	A Preston	88	0	85	3	0	0	0
SC498	Picnic & BBQ Facilities in City Parks (\$106)	A Wilson	54	0	54	0	0	0	0
SC499	Outdoor Fitness Equipment in Parks (\$106)	A Preston	120	0	120	0	0	0	0
SC500	Trumpington Rec Outdoor Space (\$106)	A Preston	48	0	46	2	0	0	0
SC501	Woodhead Drive Play Area (\$106)	A Preston	50	0	48	2	0	0	0
SC503	CCTV Technology Upgrade	M Beaumont	150	0	150	0	0	0	0
SC504	Solar PV Panel Installation	B Hadfield	224	0	224	0	0	0	0
SC505	Land Explorer Software	G Richardson	10	0	10	0	0	0	0
SC506	Replacement Grand Arcade Car Park Pay on Foot Machines	S Cleary	400	0	0	400	0	0	0
SC507	Visit Cambridge Website	E Thornton	30	0	30	0	0	0	0
SC508	E-Benefits	J Frost	47	38	17	0	0	0	0
SC509	Electric Courier Van	J James	14	0	14	0	0	0	0
SC510	Chip & Pin Upgrade in Car Parks	S Cleary	80	77	80	0	0	0	0
SC511	Route Optimisation Software	C Hipwood	15	0	15	0	0	0	0
SC512	Hobbs Pavilion Refurbishment (\$106)	I Ross	240	0	240	0	0	0	0
SC513	Crematory Refurbishment	T Lawrence	206	0	206	0	0	0	0
SC514	Petersfield Area Play Equipment	T Woollams	55	0	0	55	0	0	0
SC515	Replacement CCTV Cameras	M Beaumont	70	0	70	0	0	0	0
SC516	Relocation Grand Arcade Car Park Control Room	S Cleary	70	0	70	0	0	0	0
SC517	Reline Fuel Tanks	D Cox	30	0	30	0	0	0	0
SC518	Corn Exchange Lighting Improvement	D Kaye	25	0	25	0	0	0	0
SC519	Wulfstan Way Art Project (\$106)	N Black	45	0	9	36	0	0	0
SC520	Community Olympic Public Art Commission (\$106)	N Black	129	0	29	100	0	0	0
Capital-GF Projects			20,990	9,552	10,384	2,468	79	0	0

Capital-Programmes

Capital Ref - Cost Centre	Description	Lead Officer	Capital Scheme Approval (£000's)	Spend in Prior Years (£000's)	Current Year Budget (£000's)	2012/13 (£000's)	2013/14 (£000's)	2014/15 (£000's)	2015/16 (£000's)
PR001	Housing Capital Investment Programme	J Hovells		0	20,669	8,033	7,932	8,034	6,797
PR003	City Centre Management Programme	E Thornton	174	326	20	20	20	20	0

Capital Ref. Cost Centre	Description	Lead Officer	Capital Scheme Approval (£000's)	Spend to Date	Current Year Budget (£000's)	2012/13 (£000's)	2013/14 (£000's)	2014/15 (£000's)	2015/16 (£000's)
PR006	Safer City Programme	L Kilkelly	302	504	17	17	17	17	0
PR007	Cycleways	C Rankin		1,224	245	100	100	100	0
PR010	Environmental Improvements Programme	D Foley-Norman		1,078	0	0	0	0	0
PR010a	Environmental Improvements Programme - North Area	D Foley-Norman		551	125	59	59	59	0
PR010b	Environmental Improvements Programme - South Area	D Foley-Norman		273	126	42	42	42	0
PR010c	Environmental Improvements Programme - West/Central Area	D Foley-Norman		250	156	43	43	43	0
PR010d	Environmental Improvements Programme - East Area	D Foley-Norman		250	298	56	56	56	0
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	D Foley-Norman		62	307	0	0	0	0
PR010j	Environmental Improvements Programme - Fitzroy/Burleigh Street	D Foley-Norman		1	87	0	0	0	0
PR010k	Environmental Improvements Programme - Wulfstan Way Local Centre (S106)	A Preston	174	0	174	0	0	0	0
PR014	Environmental Safety Fund	D Foley-Norman		83	16	0	0	0	0
PR016	Public Conveniences	B Carter		2,291	363	150	0	0	0
PR017	Vehicle Replacement Programme	D Cox		7,962	611	540	960	750	0
PR018	Bus Shelters	A Preston	300	158	271	0	0	0	0
PR019	Car Parks Infrastructure and Equipment Replacement Programme	S Cleary	1,748	819	726	269	244	789	0
PR020	ICT Infrastructure Programme	J Nightingale	2,470	812	929	475	211	300	220
PR023	Admin Buildings Asset Replacement Programme	J Stocker	427	307	68	88	40	70	48
PR024	Commercial Properties Asset Replacement Programme	J Stocker	581	85	63	77	347	20	230
PR025	New Town Community Development Capital Grants Programme (S106)	T Woollams	130	6	124	0	0	0	0
PR026	Community Development Grants Programme (S106)	T Woollams	800	27	150	350	300	0	0
	Capital-Programmes		7,106	17,068	25,545	10,319	10,371	10,300	7,295
TOTAL CAPITAL PLAN			28,096	26,619	35,929	12,787	10,450	10,300	7,295

Appendix N

Capital & Revenue Projects Plan - Variances

Ref	Description	Current Budget 2011/12	Schemes merged	Est Spend to March 2012	Forecast Variance	Re-phase Spend	Devolved to Area Comm	Transfer to Hold List	Forecast Over / (Under) Spend	Comments
		£000	£000	£000	£000	£000	£000	£000	£000	
Arts, Sport & Public Places										
SC072	Poster Boards	4	0	4	(0)	0	0	0	(0)	Project ongoing. Remainder of budget earmarked for spend before end of financial year.
SC210	Hard Surface Cherry Hinton Hall Car Park	0	0	0	0	0	0	0	0	Project complete.
SC215	Christ's Piece - Trees/Landscaping (S106)	7	0	6	(1)	0	0	0	(1)	Project complete.
SC234	Histon Road Cemetery Landscaping (S106)	9	0	5	(4)	0	0	0	(4)	Path improvements & landscaping to be complete by March 2012.
SC282	Kettle's Yard	40	0	0	(40)	40	0	0	0	Awaiting timetable from Kettle's Yard.
SC347	Histon Road - Refurbishment of play area (S106)	12	0	0	(12)	0	0	0	(12)	Project complete.
SC348	Allotment Improvements (S106)	17	0	0	(17)	17	0	0	0	Funds held pending requests from Allotment Societies.
SC349	Fencing and Security at Jesus Green Pool	22	0	0	(22)	0	0	0	(22)	Project complete.
SC350	Improvements to pump out facility at Jesus Green	0	0	0	0	0	0	0	0	Project complete.
SC396	Ravensworth Gardens - Remedial & Improvement Work	25	0	0	(25)	25	0	0	0	Project now being developed in consultation with RGRA & their agents. Rephase to 2012/13
SC405	Improvements to play areas & open space at land behind St Matthews Street (S106)	1	0	3	2	0	0	0	2	Project complete.
SC410	Mill Road Cemetery	35	0	27	(8)	0	0	0	(8)	Works to be completed by Mar 2012 (overspend 2010/11).
SC432	Mill Road Cemetery Memorial Artwork (S106)	57	0	6	(51)	51	0	0	0	DAC and Planning Approval currently being sort. Project expected to be complete by Summer 2012.

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		£000	£000	£000	£000	£000	£000	£000	£000	
SC433	Snowy Farr Memorial Artwork (S106)	64	0	24	(40)	40	0	0	0	Planning application has been submitted and subject to its approval the artwork will be installed by Spring 2012
SC434	Floodlit Astro turf - Chesterton Community College and Netherhall School (S106)	200	0	200	0	0	0	0	0	Project completed. Community use agreement now signed.
SC435	Biodiversity Projects Year 2&3	0	0	(1)	(1)	0	0	0	(1)	Project complete.
SC436	Pye's Pitch Rec Facilities (S106)	85	0	45	(40)	40	0	0	0	Ongoing works.
SC441	Sheeps Green Canoe Clubhouse Extension (S106)	165	0	175	10	(5)	0	0	5	Project complete, subject to retention monies to be paid in next financial year.
SC450	Changing Facilities at Cherry Hinton Village Centre (S106)	70	0	0	(70)	70	0	0	0	Project deferred to 2012.
SC452	Climbing Wall at Kelsey Kerridge Sports Centre (S106)	47	0	52	5	0	0	0	5	Project complete.
SC453	Upper River Cam Biodiversity Project (S106)	118	0	0	(118)	0	0	118	0	Project fully developed. Loss of original S106 funding for habitat creation requires either a bid to reserves or alternative S106 funding streams. Project transferred to the Hold List until resolved.
SC454	Logans Meadow Swift Tower (S106)	27	0	31	4	0	0	0	4	Project complete.
SC455	Logans Meadow LNR Extension (S106)	188	0	0	(188)	0	0	188	0	Project still in development phase. Loss of original S106 funding for habitat creation requires either a bid to reserves or alternative S106 funding streams. Project transferred to the Hold List until resolved.
SC456	Coldhams Common LNR Extension (S106)	48	0	0	(48)	48	0	0	0	Awaiting S38 permission. Operations awaiting instruction to undertake works.
SC460	Kings Hedges Learners Pool Electricity	25	0	0	(25)	25	0	0	0	Project on hold pending carbon reduction improvements.
SC461	Jesus Green Skatepark Upgrade (S106)	65	0	60	(5)	5	0	0	(0)	Project Complete. Retention monies to be paid in next financial year.

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		£000	£000	£000	£000	£000	£000	£000	£000	
SC465	Upper River Cam Biodiversity Public Art (S106)	29	0	0	(29)	0	0	29	0	Project has been put on hold whilst the funding issues for the wider Local Nature Reserve Biodiversity Project are resolved.
SC469	Vie Public Open Space (S106)	130	0	114	(16)	16	0	0	0	Ongoing works.
SC471	Parkside Changing Rooms	350	0	390	40	0	0	0	40	Works under way - completion due January 2012
SC472	Cherry Hinton Hall Vending Kiosk (S106)	15	0	0	(15)	0	0	15	0	Project is incorporated within the Heritage Lottery Fund bid which is due to be submitted in August 2012 and determined by December 2012. It is therefore recommended to be put on the Hold List until the outcome of this bid is known.
SC473	Cherry Hinton Hall Pond & Lake Restorations (S106)	25	0	0	(25)	0	0	25	0	Project is incorporated within the Heritage Lottery Fund bid which is due to be submitted in August 2012 and determined by December 2012. It is therefore recommended to be put on the Hold List until the outcome of this bid is known.
SC474	Cherry Hinton Hall Tree Planting (S106)	5	0	0	(5)	5	0	0	0	Project appraisal submitted for Phase 1 of Cherry Hinton Hall Grounds Improvements. Project to be undertaken in 2011/12
SC475	Nightingale Rec Pavilion Refurbishment (S106)	18	0	0	(18)	0	0	18	0	Transferred to Hold List pending approval of funding source
SC476	Water Play Area Abbey Paddling Pool (S106)	125	0	75	(50)	50	0	0	0	Project completion estimated May 2012.
SC477	Coleridge Paddling Pool Enhancement (S106)	160	(75)	50	(35)	35	0	0	0	January 2012 procurement. Tfr £75k to new Coleridge Recreation Ground improvements project.
SC478	Water Play Area Kings Hedges "Pulley" (S106)	125	0	50	(75)	75	0	0	0	January 2012 procurement.
SC479	Abbey Pool Play Area Facilities (S106)	110	0	0	(110)	85	0	0	(25)	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012. Revised scheme costs £89k - £4k budget in 2012/13.

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		£000	£000	£000	£000	£000	£000	£000	£000	
SC480	Alexander Gardens Play Area (S106)	72	0	0	(72)	0	72	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC481	Climbing Boulders at Cherry Hinton Hall (S106)	32	0	0	(32)	0	32	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC482	Cherry Hinton Hall Tennis Court (S106)	65	0	0	(65)	0	65	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC483	Coldhams Common BMX Track Enhancement (S106)	20	0	0	(20)	0	20	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC484	Coldhams Common Climbing Facility (S106)	60	0	0	(60)	0	60	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC485	Coldhams Common Skate Park (S106)	135	0	0	(135)	0	135	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC486	Coleridge Rec Skateboarding & BMX Trail (S106)	50	(50)	0	0	0	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012. Tfr £50k to new Coleridge Recreation ground Improvements project.
SC487	Colderidge Rec Landscaping & High Wire Climbing (S106)	38	(38)	0	0	0	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012. Tfr £38k to new Coleridge Recreation ground Improvements project.
SC488	Coleridge Rec Informal Games Area (S106)	53	(53)	0	0	0	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012. Tfr £53k to new Coleridge Recreation ground Improvements project.

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		£000	£000	£000	£000	£000	£000	£000	£000	
SC489	Coleridge Rec Tennis Court (S106)	65	(65)	0	0	0	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012. Tfr £65k to new Coleridge Recreation ground Improvements project.
SC490	Dundee Close Play Area (S106)	46	0	0	(46)	0	46	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC491	Public Information in Play & Recreation Areas (S106)	125	0	0	(125)	0	125	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC492	Jesus Green Play Area (S106)	175	0	0	(175)	149	0	0	(26)	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012. Revised scheme costs £152k - £3k budget in 2012/13.
SC493	Jesus Green Tennis Court (S106)	90	0	1	(89)	89	0	0	(0)	Planning permission has been granted and procurement of the construction services are underway. Completion expected by Spring 2012 for the start of the tennis season.
SC494	Kings Hedges "Pulley" Play Area (S106)	73	0	0	(73)	73	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012.
SC495	The Meadows Outdoor Rec Area (S106)	60	0	0	(60)	0	60	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC496	Petersfield Play Area (S106)	76	0	0	(76)	76	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012.
SC497	Peveral Road Play Area (S106)	85	0	0	(85)	85	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012.

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		£000	£000	£000	£000	£000	£000	£000	£000	
SC498	Picnic & BBQ Facilities in City Parks (S106)	54	0	0	(54)	0	54	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC499	Outdoor Fitness Equipment in Parks (S106)	120	0	0	(120)	120	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012.
SC500	Trumpington Rec Outdoor Space (S106)	46	0	0	(46)	46	0	0	0	Project is about to enter its procurement stage. Delivery is expected to be complete by Summer 2012.
SC501	Woodhead Drive Play Area (S106)	48	0	0	(48)	0	48	0	0	Project proposed to be removed from the capital plan and devolved to Area Committees to consider as part of their area needs assessments.
SC512	Hobbs Pavilion Refurbishment (S106)	240	0	100	(140)	140	0	0	0	Mai Thai restaurant carrying out their works independently Jan - Mar 2012.
SC518	Corn Exchange Lighting Improvement	25	0	25	0	0	0	0	0	Lighting approved at CSSC 13/10/2011. Awaiting procurement.
SC519	Wulfstan Way Art Project (S106)	9	0	0	(9)	9	0	0	0	Project just approved. Artist brief being developed for Tender
SC520	Community Olympic Public Art Commission (S106)	29	0	0	(29)	29	0	0	0	Project just approved. Invitation to Tender being drafted.
New	Coleridge Recreation Ground Improvements (S106)	0	281	0	(281)	281	0	0	0	New project from SC477 (part), SC486, SC487, SC488, SC489 - revised project appraisal to January 2012 scrutiny committee (including 2012/13 budget implications). See Appendix K(2)
Total Projects		4,314	0	1,442	(2,872)	1,719	717	393	(43)	
PR010a	Environmental Improvements Programme - North Area	125	0	86	(39)	39	0	0	(0)	North Area have now allocated the majority of their funding to projects. Delayed start due to lack of clarity whether a new EIP Programme would be introduced. Next years proposed schemes will shortly be requested.

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PR010b	Environmental Improvements Programme - South Area	126	0	113	(13)	13	0	0	(0)	South Area have now allocated the majority of their funding to projects. Delayed start due to lack of clarity whether a new EIP Programme would be introduced. Next years proposed schemes will shortly be requested.
PR010c	Environmental Improvements Programme - West/Central Area	156	0	125	(31)	31	0	0	0	West/Central Area have now allocated all of their funding to projects. Delayed start due to lack of clarity whether a new EIP Programme would be introduced. Next years proposed schemes will shortly be requested.
PR010d	Environmental Improvements Programme - East Area	298	0	267	(31)	31	0	0	0	East Area have now allocated the majority of their funding to projects. Delayed start due to lack of clarity whether a new EIP Programme would be introduced. Next years proposed schemes will shortly be requested.
PR010d	Environmental Improvements Programme - Riverside/Abbey Road Junction	307	0	307	0	0	0	0	0	Scheme is complete
PR010j	Environmental Improvements Programme - Fitzroy/Burleigh Street	87	0	87	(0)	0	0	0	(0)	Further consultation on the replacement of two highway trees in conjunction with County Council maintenance work is now underway. Remaining tree planting now due to take place in November.
PR010k	Environmental Improvements Programme - Wulfstan Way Local Centre (S106)	174	0	157	(17)	0	0	0	(17)	Project is complete, the £17k public art element funded by S106 is now part of a separate approved project (SC519).
Total Programmes		1,273	0	1,142	(131)	114	0	0	(17)	
Arts, Sport & Public Places		5,587	0	2,584	(3,003)	1,833	717	393	(60)	
Community Development & Health										
SC106	Enhance Existing Community Facilities - East Chesterton	27	0	0	(27)	0	0	0	(27)	No further applications received. Funding no longer required. Budget to be returned to reserves fund.

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SC283	City Centre Youth Venue (\$106)	100	0	0	(100)	100	0	0	0	Report planned for Com Serv Scrutiny in March 2012. Rephase remaining budget.
SC351	Memorial Choice	5	0	5	(0)		0	0	(0)	Project complete
SC379	Mercury Abatement	1,995	0	1,995	(0)		0	0	(0)	Project due to be completed by 31st March 2012
SC385	Energy Efficiency Programme - Meadows	19	0	6	(13)	13	0	0	0	Programme delayed as Asset Manager not appointed until recently. Rephase remaining budget.
SC406	The Junction Development Programme (\$106)	2	0	0	(2)	2	0	0	0	Retention held. Re-phase remaining budget
SC440	King George V Rec Ground (consolidated) (\$106)	32	0	0	(32)	32	0	0	0	Additional works to be specified with Trumpington Residents Association. Re-phase remaining budget
SC503	CCTV Technology Upgrade	150	0	160	10		0	0	10	Project due to be completed by 31st March 2012
SC513	Crematory Refurbishment	206	0	206	0		0	0	0	Project due to be completed by 31st March 2012
SC515	Replacement CCTV Cameras	70	0	70	0		0	0	0	Project due to be completed by 31st March 2012
Total Projects		2,606	0	2,441	(165)	147	0	0	(18)	
PR006	Safer City Programme	17	0	17	0		0	0	0	Anticipating that the grants will be allocated in the current year
PR025	New Town Community Development Capital Grants Programme (\$106)	124	0	10	(114)	114	0	0	0	£20k allocated to Centre at St Paul's (subject to approval 12/1/12). Working with Newtown forum to bring forward projects from their programme. Rephase remaining budget.
PR026	Community Development Grants Programme (\$106)	150	0	127	(23)	23	0	0	(0)	Spend dependent upon grant applicants meeting their construction programme. Rephase remaining budget.
Total Programmes		291	0	154	(137)	137	0	0	(0)	
Community Development & Health		2,897	0	2,595	(302)	284	0	0	(18)	

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		£000	£000	£000	£000	£000	£000	£000	£000	
Housing										
SC163	Compulsory Purchase Orders (CPOs)	400	0	0	(400)	400	0	0	0	Currently no properties are prioritised for CPO action. Revising policy and reviewing long term vacancies. At present spend in 2011/12 is unlikely due to the length of the process
SC386	HMOs - Management Orders	50	0	0	(50)	50	0	0	0	No properties are currently identified for action. Basis of protocol agreed with City Homes who will manage properties where action is taken
SC414	Landlord Accreditation Scheme	72	0	72	0	0	0	0	0	
Total Projects		522	0	72	(450)	450	0	0	0	
PR001	Housing Capital Investment Programme	20,669	0	19,519	(1,150)	1,150	0	0	0	Funding for the re-development of Roman Court is proposed to be re-phased into 2012/13, 2013/14 and 2014/15 to meet the anticipated spend profile for the project. Any further re-phasing or in year under / over-spending to be incorporated as part of report to February HMB / Community Services.
Total Programmes		20,669	0	19,519	(1,150)	1,150	0	0	0	
Housing		21,191	0	19,591	(1,600)	1,600	0	0	0	

Environmental & Waste Services										
SC423	Recycling Bins for Flats	127	0	85	(42)	42	0	0	0	The budget needs to be rephased to cover the remainder of flats with recycling provision in 2012/13
SC466	Air Monitoring Equipment	120	0	85	(35)	0	0	0	(35)	The project is complete. The expenditure was less than anticipated
SC511	Route Optimisation Software	15	0	8	(7)	7	0	0	0	The final instalment will be paid in 2012/13.
Total Projects		262	0	178	(84)	49	0	0	(35)	

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		£000	£000	£000	£000	£000	£000	£000	£000	
PR016	Public Conveniences	363	0	6	(357)	357	0	0	0	The Silver Street conveniences project will not commence this year and it is requested that the budget be rephased to 2012/13.
PR017	City Services - Vehicle Replacement Programme	611	0	450	(161)	0	0	0	(161)	The total spend is expected to be no more than £450k based on the purchase and replacement of life expired vehicles during the current year.
Total Programmes		974	0	456	(518)	357	0	0	(161)	
Environment & Waste Services		1,236	0	634	(602)	406	0	0	(196)	

Planning & Sustainable Transport

SC033B	CCTV Street Lighting	40	0	0	(40)	40	0	0	0	This funding must be ring fenced for any betterment requirements that arise from the County Council's PFI lighting contract over the next two years, particularly in the historic core.
SC366	Green Parking Bays	2	0	0	(2)	2	0	0	0	Is currently on hold and will be incorporated into the services signage and Traffic Regulation Order review.
SC368	GIS Phase 2 & 3	1	0	1	0	0	0	0	0	Project completed. Training cost to be charged.
SC417	Development of UNiform System	14	0	0	(14)	14	0	0	0	Potential project list in place e.g Conditions Monitoring Module, BC Submission of online applications etc. To be reviewed by Head of Planning as part of service planning process.
SC420	Corrosion Monitoring System at Park Street	2	0	1	(1)	0	0	0	(1)	Appointment of contractor completed. Results of exercise to be delivered over the next 9 months. Invoice paid.
SC421	E&P Server Replacements	5	0	0	(5)	0	0	0	(5)	Project complete.
SC439	LED Lighting - Grand Arcade Annex Car Park	115	0	115	(0)	0	0	0	(0)	Works delayed due to contractual difficulties. Works anticipated to be completed Jan/Feb 2012.

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		£000	£000	£000	£000	£000	£000	£000	£000	
SC445	Monitors for use with Document Management System	6	0	6	0	0	0	0	0	Final deployment phase underway.
SC448	Rebuild Grafton West Car Park Wall at Salmon Lane	95	0	77	(18)	0	0	0	(18)	Project complete.
SC449	Holy Trinity War Memorial Shelter	23	0	23	0	0	0	0	0	Faculty decision received. Project team to be set up. Completion anticipated this financial year.
SC505	Land Explorer Software	10	0	0	(10)	10	0	0	0	Reviewing other system software potential as requested by ICT Steering Group.
SC510	Chip & Pin Upgrade in Car Parks	80	0	77	(3)	0	0	0	(3)	Project complete.
SC516	Relocation Grand Arcade Car Park Control Room	70	0	70	0	0	0	0	0	Procurement process started. Completion date of April 2012.
Total Projects		473	0	372	(101)	74	0	0	(27)	
PR007	Cycleways	245	0	7	(238)	238	0	0	0	The Downham's Lane scheme is awaiting adoption by Cambs CC in early 2012. We will seek approval and complete the work during Summer 2012. The Perne Rd/Radegund Rd Roundabout scheme is on hold pending European Funding through the 2Seas project. Project completion expected by December 2012, subject to the necessary approvals.
PR014	Environmental Safety Fund	16	0	5	(11)	11	0	0	0	Potential use for Rackham Close Project and schemes in East Area.
PR018	Bus Shelters	271	0	64	(207)	207	0	0	0	Project appraisal now approved. Consultation via Area Committees now planned, project expected to begin delivery on site before the end of the financial year and completed by Summer 2012.
PR019	Car Parks Infrastructure and Equipment Replacement Programme	726	0	0	(726)	726	0	0	0	Review under way with Capital Plan adjustments included.
Total Programmes		1,258	0	76	(1,182)	1,182	0	0	0	
Planning & Sustainable Transport		1,731	0	448	(1,283)	1,256	0	0	(27)	

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		£000	£000	£000	£000	£000	£000	£000	£000	

Customer Services & Resources

SC361	Disabled Access and Facilities - Guildhall Halls	80	0	0	(80)	80	0	0	0	This is work to provide disabled access to the Guildhall Street entrance to the Guildhall and to provide wheelchair access to the Guildhall stage. Work is continuing to identify the most appropriate solutions. Anticipated completion is now Summer 2012.
SC335	Customer Access Strategy - IT Workstream	122	0	122	0	0	0	0	0	Outstanding IT web self serve integration from the Customer Access Strategy (CAS) project ongoing and expected to be on budget by year end. Any remaining funds will be given back to the CAS business case.
SC517	Re-Line Fuel Tanks	30	0	30	0	0	0	0	0	On target for completion in January 2012.
SC192	Development Land on the North Side of Kings Hedges Road	182	0	178	(4)	4	0	0	0	The variance relates to expenditure profiling differences from the managing agent's original estimates for the 2011/12 financial year. Budget of £4k needs to be re-phased to the 2012/13 financial year to correspond with the managing agent's revised estimates.
SC221 b	Lion Yard - Contribution to Works - Phase 2	931	0	80	(851)	851	0	0	0	The majority of the 2011/12 scheme costs are likely to be for professional fees. The construction costs are likely to be incurred in the 2012/13 financial year.
SC391	La Mimosa Punting Station	10	0	10	0	0	0	0	0	Investigating possible match funding by punt operators.
SC508	E-Benefits	17	0	17	0	0	0	0	0	Project is on schedule.
SC458	Capita Re-Licence	5	0	1	(4)	0	0	0	(4)	Scheme completed.
SC509	Electric Courier Van	14	0	0	(14)	0	0	0	(14)	The capital scheme needs to be deleted from the Capital plan. The expenditure that has been incurred is of a Revenue nature. Scheme has been completed.

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		£000	£000	£000	£000	£000	£000	£000	£000	
SC427	Oracle Financials Server	50	0	50	0	0	0	0	0	The new server has been successfully deployed and testing of Oracle Financials and Business Objects, prior to going live, is currently in progress.
SC329	Corporate Document Management (DIP & EDRM)	454	0	104	(350)	350	0	0	0	The programme of work is approaching the end of its first major phase, with the completion of customer access related services. It had always been planned to re-examine the project timetable at this time, and to determine the priority services for the next phases. Work on the remainder of the programme is therefore being re-planned, and will lead to spend later in the programme than originally forecast.
SC429	Telephony System Upgrade	20	0	23	3	0	0	0	3	Minor overspend on the Replacement of Power Cabinets project. The overspend will be funded from the Telephones repairs and renewals fund.
SC338	Customer Access Strategy - Web Development	0	0	0	0	0	0	0	0	Scheme completed.
SC312	Automated Energy Monitoring System	23	0	23	0	0	0	0	0	Currently investigating the introduction of new technology with regard to recording gas consumption.
SC362	Lighting and Power in Committee Rooms	15	0	0	(15)	15	0	0	0	Design being prepared following completion of the audio visual equipment capital scheme.
SC507	Visit Cambridge Website	30	0	30	0	0	0	0	0	The tender for the new website will be awarded by the end November. The new website is due to be launched March/April 2012 and there is no anticipated underspend at year end.
Total Projects		1,983	0	668	(1,315)	1,300	0	0	(15)	
PR020	ICT Infrastructure Programme	929	0	879	(50)	50	0	0	0	The programme is dependent on delivery of key projects from external suppliers, and approval of project appraisals.

Ref	Description	Current Budget 2011/12	Schemes merged	Est Spend to March 2012	Forecast Variance	Re-phase Spend	Devolved to Area Comm	Transfer to Hold List	Forecast Over / (Under) Spend	Comments
		£000	£000	£000	£000	£000	£000	£000	£000	
PR023	Admin Buildings Asset Replacement Programme	68	0	58	(10)	10	0	0	0	Budget of £10k needs to be re-phased to the 2012/13 financial year to correspond with the current work programme.
PR024	Commercial Properties Asset Replacement Programme	63	0	63	0	0	0	0	0	Programme is on schedule.
PR003	City Centre Management Programme	20	0	20	0	0	0	0	0	Schemes to the value of £9k have been approved. The programme is being actively promoted and historically applications have come during the second half of the year.
Total Programmes		1,080	0	1,020	(60)	60	0	0	0	
Customer Services & Resources		3,063	0	1,688	(1,375)	1,360	0	0	(15)	

Strategy & Climate Change

SC504	Solar PV Panel Installation	224	0	0	(224)	0	0	0	(224)	Following a reduction in the return from the Feed In Tariff scheme this project is now cancelled (see budget proposal C2982)
Total Projects		224	0	0	(224)	0	0	0	(224)	
Strategy & Climate Change		224	0	0	(224)	0	0	0	(224)	

Summary

Arts Sport & Public Places	5,587	0	2,584	(3,003)	1,833	717	393	(60)	
Community Development & Health	2,897	0	2,595	(302)	284	0	0	(18)	
Housing	522	0	72	(450)	450	0	0	0	
Environmental & Waste Services	1,236	0	634	(602)	406	0	0	(196)	
Planning & Sustainable Transport	1,731	0	448	(1,283)	1,256	0	0	(27)	
Customer Services & Resources	3,063	0	1,688	(1,375)	1,360	0	0	(15)	
Strategy & Climate Change	224	0	0	(224)	0	0	0	(224)	
Total	15,260	0	8,022	(7,238)	5,589	717	393	(539)	
Housing Capital Investment Programme	20,669	0	19,519	(1,150)	1,150	0	0	0	

2012/13 Budget - Capital Bids & Funding - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Community Services - Arts, Sport & Public Places

Capital Bids

Bids requiring funding

C2752	Creation of New Allotment Site	0	15,000	0	0	0	Alistair Wilson	H
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Requirement for Capital Funding (included Above)

0	15,000	0	0	0
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Creation of new allotment plots on land at Kendal Way and the extension of Empty Common.

C2753	Programme of replacement of Parks and Open Space Waste/ Litter Bins	0	75,000	75,000	75,000	75,000	Alistair Wilson	H
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Requirement for Capital Funding (included Above)

0	75,000	75,000	75,000	75,000
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In a programmed and co-ordinated way, replace all waste/litter bins on Parks and Open Space, and to create opportunities for recycling. An additional bid has been included for a litter bin replacement programme in the Environmental and Waste Services portfolio. [See also C2806]

C2754	Installation of new sound equipment at Cambridge Corn Exchange	0	200,000	0	0	0	Debbie Kaye	H
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Requirement for Capital Funding (included Above)

0	90,000	0	0	0
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As part of the Council's stated strategy to improve the financial performance of the Corn Exchange, the proposed investment in a new sound system will enable the venue to attract a wider range of tours (many of whom do not currently include the Corn Exchange because of the need to hire equipment to perform at the venue. The investment is seen as critical to enhance the performance slate and reduce the number of dark days in the venue and as a result improve the Corn Exchange's financial position.

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Community Services - Arts, Sport & Public Places

Total Bids requiring funding	0	290,000	75,000	75,000	75,000		
<i>Requirement for Funding : Bids requiring funding</i>	0	180,000	75,000	75,000	75,000		
Total Community Services - Arts, Sport & Public Places	0	290,000	75,000	75,000	75,000		
<i>Requirement for Funding : Community Services - Arts, Sport & Public Places</i>	0	180,000	75,000	75,000	75,000		

2012/13 Budget - Capital Bids & Funding - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Community Services - Community Development & Health

Capital Bids

Bids requiring funding

C2943	Refurbishment of Newmarket Road Cemetery buildings	0	120,000	0	0	0	Paul Necus	H
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Requirement for Capital Funding (included Above)

0	70,000	0	0	0
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Following the reclamation of the existing cemetery office as part of the cemetery lodge, the proposal is to utilise other existing areas to create an office, reception, waiting room and refurbish toilets, vestry and the provision of a private meeting room for the bereaved. This project to be funded by HRA - £50,000 and Reserves - £70,000. [See also C2908]

C2959	Release of Capital Funding for Safer City Grants	0	(17,000)	(17,000)	(17,000)	0	Lynda Kilkelly	H
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Requirement for Capital Funding (included Above)

0	(17,000)	(17,000)	(17,000)	0
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The capital funding for the period from 2012/13 to 2014/15, in respect of Safer City Capital Grants is proposed to be released, as a direct result of a bid for additional ongoing revenue grant funding, which better meets the requirements of grant recipients. [See also PPF2862]

Total Bids requiring funding	0	103,000	(17,000)	(17,000)	0
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Requirement for Funding : Bids requiring funding	0	53,000	(17,000)	(17,000)	0
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2012/13 Budget - Capital Bids & Funding - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Community Services - Community Development & Health

Bids to existing funding

C2942	Cambridge Crematorium - Chapels & Public Areas Refurbishment	0	120,000	0	0	0	Tracy Lawrence	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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The chapels, vestries and waiting rooms at the crematorium are in need of refurbishment to meet current customer needs. This work will be undertaken once the mercury abatement project is complete. Works may include carpets, flooring and seating in addition to redecoration. This will be funded from existing R&R funds.

C2944	Refurbishment of Staff room to incorporate garage conversion	0	30,000	0	0	0	Tracy Lawrence	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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The existing operations staff building will be upgraded to provide better welfare for employees following the conversion of existing staff rest room into offices for the commemorations team. This will create an area where staff are able to take their breaks which includes space for a 'quiet' area. This will be funded from existing R&R funds.

C2990	Clay Farm Community Centre - Phase 1	0	420,000	230,000	0	0	Alan Carter	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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The City Council is leading the partnership project to provide the new Community Centre at Clay Farm. Other partners include the Primary Care Trust, the County Council, South Cambridgeshire District Council and Cambridgeshire Partnerships Limited. Facilities will include a community centre & café, a youth wing with games area, band & DJ room, a public library, a health centre, flexible spaces for primary care support services and touchdown facilities & accommodation for Police and social services. In addition, up to 20 affordable flats will be incorporated into the design. This initial bid covers design fees. The total project cost, including fees, being £8.2m which will be provided by developer contributions and other sources. A full bid during the 2013/14 budget round will address the need for prudential borrowing to 2029/30.

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Community Services - Community Development & Health

Total Bids to existing funding	0	570,000	230,000	0	0		
<i>Requirement for Funding : Bids to existing funding</i>	0	0	0	0	0		
Total Community Services - Community Development & Health	0	673,000	213,000	(17,000)	0		
<i>Requirement for Funding : Community Services - Community Development & Health</i>	0	53,000	(17,000)	(17,000)	0		

2012/13 Budget - Capital Bids & Funding - GF

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cttee Priority (Bids)
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Community Services - Housing

Capital Bids

Bids requiring funding

C2810	Grant funding bid for Cambridge Property Accreditation Scheme (CPAS)	0	50,000	0	0	0	Jo Dicks	H
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Requirement for Capital Funding (included Above)

0	50,000	0	0	0
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The Cambridge Property Accreditation Scheme (formerly known as the Landlord Accreditation Scheme) was supported by external funding from the East of England Regional Assembly (EERA) to assist landlords to improve their property and to meet higher standards. This funding has now ceased. This has benefited 51 properties over the last two years. The bid is for City Council grant funding for individual properties of up to £3,000 to assist them to reach higher standards of energy performance required to meet the standard for accreditation. The aim of the accreditation scheme is to raise the standard of private rented accommodation in a number of areas. The grant although an incentive for landlords to bring their properties up to the necessary standards is aimed at improving the energy efficiency of the property which is of primary benefit to the tenant, not the landlord, who will gain through lower energy bills.

C2811	Funding to increase the uptake of energy efficiency improvements to private sector housing.	0	150,000	0	0	0	Jo Dicks	H
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Requirement for Capital Funding (included Above)

0	150,000	0	0	0
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The proposal is to expand the qualifying criteria of the current government grant for basic insulation measures for private sector housing. Through offering additional funding this scheme will bring more Government funding into the city and will provide basic insulation measures to residents who have previously been unable to afford it or who needed this added incentive. Not only will the proposal help the City Council meet its objectives regarding climate change, but more importantly it will target fuel poverty by providing warmer homes to residents and allowing residents to save money on their energy bills. This proposal would require partnership work with registered insulation installers but could be provided within the current capacity of the service.

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Community Services - Housing

C2960	Bid to allow for changes to internal office layout for Housing Options / Choice Based Lettings	0	10,000	0	0	0	Alan Carter	H
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Requirement for Capital Funding (included Above)

0	10,000	0	0	0
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Funding to allow some internal partition walls to be removed in the Housing Options / Choice Based Lettings Team in Hobson House, to better facilitate proposed new working practices as part of a service review, and resulting restructure of the teams, from April 2012.

Total Bids requiring funding	0	210,000	0	0	0
Requirement for Funding : Bids requiring funding	0	210,000	0	0	0

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Community Services - Housing

Bids to existing funding

C2985	Funding to upgrade facilities at 125 Newmarket Road	0	100,000	0	0	0	Julia Hovells	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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The City Council is working closely with Cambridge Community Services (CCS) NHS Trust to develop and enhance the primary health care service offered to homeless and previously homeless people at 125 Newmarket Road. A proposal to offer a more holistic one-stop-shop health model at the surgery requires a significant upgrade to the building to ensure that patient consultancy rooms meet clinical standards, to upgrade the information technology services within the building to improve services to patients and to refurbish the building throughout for the first time in the 8 years since the City Council took on the ownership of the property. The building, owned by the City Council is used to provide a dedicated primary health care service for homeless people. Utilising an existing R&R fund provision for the building, the City Council will provide a grant to contribute to the building related aspects of the upgrade.

Total Bids to existing funding	0	100,000	0	0	0
Requirement for Funding : Bids to existing funding	0	0	0	0	0
Total Community Services - Housing	0	310,000	0	0	0
Requirement for Funding : Community Services - Housing	0	210,000	0	0	0

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Environment - Environmental & Waste Services

Capital Bids

Bids requiring funding

C2804	Extension of current Public Conveniences programme (Refurbishment of Lion Yard toilets)	0	300,000	0	0	0	Toni Ainley	H
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Requirement for Capital Funding (included Above)

0	300,000	0	0	0
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Funding for the refurbishment of Lion Yard toilets is required following recent discussions at Council. Please note that this figure is a preliminary estimate and may change when a building surveyor's report has been received.

C2805	Street cleaning planning software	0	15,000	0	0	0	Toni Ainley	H
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Requirement for Capital Funding (included Above)

0	15,000	0	0	0
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Software for day-to-day management and reporting of street cleansing and associated services. This would improve efficiency and assist in meeting the reduction of our carbon footprint.

C2806	Litter bin replacement programme (new)	0	125,000	125,000	125,000	125,000	Toni Ainley	H
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Requirement for Capital Funding (included Above)

0	125,000	125,000	125,000	125,000
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To meet the recycling agenda we would like to change the type of street litter bins on highways across the City. It is proposed to do this a joint procurement exercise (if successful) with the capital bid for Parks bins. The duration of the procurement would be over 4 years. An additional bid has been included for a litter bin replacement programme in the Arts, Sport and Public Places portfolio. [See also C2753]

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Environment - Environmental & Waste Services

C2929	In cab technology for trade waste service	0	16,000	0	0	0	Jas Lally	H
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Requirement for Capital Funding (included Above)

0	16,000	0	0	0
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Introduction of In-cab technology will enable crews to record information relating to collection issues live on a tablet device in the cab which is then linked to a web based software system. The system will provide an up to date round showing all customers' collections for each day on a display in the collection vehicle. This will help prevent missed calls, the need for return visits and reduce fuel spend for the section. Also information collected will be directly available at the Customer Service Centre enabling officers to answer customer queries more effectively. [See also PPF2798]

Total Bids requiring funding	0	456,000	125,000	125,000	125,000
Requirement for Funding : Bids requiring funding	0	456,000	125,000	125,000	125,000
Total Environment - Environmental & Waste Services	0	456,000	125,000	125,000	125,000
Requirement for Funding : Environment - Environmental & Waste Services	0	456,000	125,000	125,000	125,000

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Environment - Planning & Sustainable Transport

Capital Bids

Bids requiring funding

C2755	Cambridge City 20mph Zones Project	0	200,000	200,000	0	0	Patsy Dell	H
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Requirement for Capital Funding (included Above)

0	200,000	200,000	0	0
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Further research into the project and meetings with Portsmouth City Council suggests that a City-wide approach to 20mph restriction, rather than a piecemeal implementation would be more appropriate and successful in terms of public awareness, compliance and enforceability. The estimated capital costs (based on best estimates from local and Portsmouth experience) as well as inclusion of commuted maintenance for the new structures and markings on the highway that will be necessary if the City funds this project. This is estimated as a two year project with scoping, research, surveys and preparation in year one with implementation, including signing and lining, following in year two.

A linked PPF project bid has been submitted for the revenue (staffing) resource that accompanies this capital bid. [See also PPF2769]

C2822	Improvement to street lighting on Mill Road from the Railway Bridge to Perne Road	0	60,000	0	0	0	Andy Preston	H
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Requirement for Capital Funding (included Above)

0	60,000	0	0	0
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The County Council PFI Contract requires that any betterment over the existing standard of street lighting provision be funded by the district authority. It is proposed that the streetlights from the railway bridge to Perne Road be upgraded to the same standard as those from East Road to the Railway Bridge, in line with the recent extension of the conservation area and in order to unify the two sections of Mill Road. The cost is based on the increased capital for the heritage style column and lantern as well as a 40 year commuted sum for the assessed increase in maintenance liability.

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cttee Priority (Bids)
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Environment - Planning & Sustainable Transport

C2958	Refurbishment of Park Street Car Park	0	0	1,700,000	1,700,000	0	Paul Necus	H
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Requirement for Capital Funding (included Above)

0	0	1,700,000	1,700,000	0
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Estimated costs of carrying out structural repairs and refurbishment of Park Street car park, that will maintain this car park and protect its revenue stream for approximately 15 years. An associated bid for income reduction was incorporated into the Medium Term Strategy 2011.

This replaces item H28 on the Capital Hold List.

Total Bids requiring funding	0	260,000	1,900,000	1,700,000	0
Requirement for Funding : Bids requiring funding	0	260,000	1,900,000	1,700,000	0

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Environment - Planning & Sustainable Transport

Bids to existing funding

C2970	Repairs to Grafton West Car Park	0	150,000	0	0	0	Sean Cleary	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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The Council needs to investigate and carry out essential drainage repairs, a deep clean, resurfacing and lining repairs together with directional signage and redecoration of walls and ceilings at the Grafton West Car Park. This bid will be met from existing Repairs & Renewals Funds.

C2971	Replace obsolete Shopmobility stock	0	15,000	0	0	0	Sean Cleary	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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Following an audit of current inventory, some scooters, wheelchairs and buggies need to be replaced during 2012/13 for Grafton Centre and Grand Arcade offices.

Total Bids to existing funding		0	165,000	0	0	0		
Requirement for Funding : Bids to existing funding		0	0	0	0	0		
Total Environment - Planning & Sustainable Transport		0	425,000	1,900,000	1,700,000	0		
Requirement for Funding : Environment - Planning & Sustainable Transport		0	260,000	1,900,000	1,700,000	0		

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

Capital Bids

Bids requiring funding

C2739	Additional Two Desks and Interview Room in Customer Service Centre	0	25,000	0	0	0	Chris Bolton	H
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Requirement for Capital Funding (included Above)

0	25,000	0	0	0
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Customer Service Centre installation of two additional desks and interview room. The installation will allow capacity for face to face visitors to be increased by approximately 30% at a time of increasing demand for Cambridge City council services.

C2740	Information Kiosks to be installed in local areas	0	25,000	0	0	0	Chris Bolton	H
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Requirement for Capital Funding (included Above)

0	25,000	0	0	0
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Proposal to install 5 information kiosks around Cambridge to complement CCAB rollout strategy. The kiosks will enable information regarding Cambridge services to be accessed by residents in their locality. This proposal will allow residents to self serve and free resources to meet an increasing demand for customer services resulting from the economic downturn [See also SR2749 SR2926]

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

C2808	The introduction of a metered system for the supply of electricity on the Market	0	50,000	0	0	0	Emma Thornton	H
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Requirement for Capital Funding (included Above)

0	50,000	0	0	0
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The introduction of individual electricity meters for all 100 market stalls where traders would purchase cards from the council for the power they require. The key objectives of this proposal are to: 1) provide a fair system where traders only pay for the electricity they use 2) upgrade the electricity to a consistent level across the Market therefore allowing greater flexibility for the variety of trades on the market and ensuring that the system is fit for purpose and 3) encourage traders to review opportunities to reduce their electricity consumption and therefore contribute positively to reducing the city's carbon footprint.

The bid is in 2 parts - Part A: £40,000 for installing the metered system and Part B: potential rewiring that might be required, informed by a survey to establish the level of rewiring needed - early indications are that this is unlikely to involve the whole market and at an estimated maximum cost of £10,000. [See also S2843]

Total Bids requiring funding	0	100,000	0	0	0
Requirement for Funding : Bids requiring funding	0	100,000	0	0	0

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Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Strategy & Resources - Customer Services & Resources

Bids to existing funding

C2809	Electronic Market Management System	0	22,000	0	0	0	Emma Thornton	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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The project seeks to introduce a Markets Management system that will reduce the current administration, improve the accuracy of invoicing and assist in the control of rent arrears. The new computer system will improve the efficiency of the administrative management of the market including stall allocations, traders attendance recording, billing for additional items and the accuracy of rent cards. The aim is for it to interface with the council's financial systems and to provide timely management information. The new system will allow the Markets team to increase the time spent on daily operational issues, improve their visibility on the Market and to move forward the various projects identified in the Markets Improvement Plan. This in turn provides the opportunity to increase the focus on maximising occupancy and therefore revenue from the market. This is to be funded from a bid to the Technology Investment Fund (TIF). [See also PPF2949]

C2920	Corporate PC Replacement Programme	0	350,000	0	0	0	James Nightingale	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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There are approx 500 PC's that are due (or overdue) for replacement during 2012/13. Many services have delayed the replacement of PC's whilst the Council has explored the opportunity to deploy virtual desktop infrastructure (dumb terminals) and as a result there are now over 250 PC's which are more than 7 years old. These are past their useful operational life as the normal replacement cycle is between 3 - 5 years. The replacement programme would be funded totally from R&R. It is likely that the replacement programme will be a mix of virtual desktops and physical PC devices.

Total Bids to existing funding	0	372,000	0	0	0
Requirement for Funding : Bids to existing funding	0	0	0	0	0
Total Strategy & Resources - Customer Services & Resources	0	472,000	0	0	0
Requirement for Funding : Strategy & Resources - Customer Services & Resources	0	100,000	0	0	0

2012/13 Budget - Capital Bids & Funding - GF

Appendix: Page 17 of 18

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cttee Priority (Bids)
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Strategy & Resources - Strategy & Climate Change

Capital Bids

Bids requiring funding

C2966	Installation of solar thermal panels and/or energy efficiency measures on non-housing properties.	0	140,000	0	0	0	David Kidston	H
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Requirement for Capital Funding (included Above)

0	140,000	0	0	0
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Installation of solar thermal panels on non-housing properties to reduce the Council's carbon footprint and generate a 20 year financial return on investment from Government's Clean Energy Cash Back scheme. This investment will generate income from feed in tariffs and energy bill savings from installation of solar thermal panels on 3 non housing Council properties to reduce the Council's carbon footprint. Savings have been calculated net of maintenance costs and are anticipated for the full 20 year lifetime of the feed in tariff scheme and would increase with rising gas prices. [See also S2967]

C2982	Cancellation of Solar PV panel installation	(224,000)	0	0	0	0	Andrew Limb	H
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Requirement for Capital Funding (included Above)

(224,000)	0	0	0	0
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A capital scheme to introduce Solar PV panels and other energy initiatives was proposed in 2011/12 budget (C2656). Following a proposed reduction in the Government's Feed in Tariff, the expected internal rate of return on this project fell to 2% - the Council can achieve a significantly higher rate of return by investing in solar thermal panels and/or energy efficiency measures, hence the cancellation of this project. See bids C281, C2736, C2807 and C2966, and S2964 and S2967, for new renewables and energy efficiency projects and savings. [See also UR2984]

Total Bids requiring funding	(224,000)	140,000	0	0	0
Requirement for Funding : Bids requiring funding	(224,000)	140,000	0	0	0

2012/13 Budget - Capital Bids & Funding - GF

Appendix: Page 18 of 18

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Strategy & Resources - Strategy & Climate Change

Bids to existing funding

C2736	Voltage Optimisation Roll Out	0	32,700	0	0	0	David Kidston	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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Following the successful trial of voltage optimisation technology at the Guildhall, this project is to supply and install the technology on a further 2 sites. The total project cost will be funded from the Climate Change Fund - this is not a bid for additional funding from Reserves. Through reduced electricity use, the project is expected to achieve annual savings of £4,000 pa (see the separate savings proposal) and 35 tonnes of CO2. [See also S2964]

Total Bids to existing funding	0	32,700	0	0	0
Requirement for Funding : Bids to existing funding	0	0	0	0	0
Total Strategy & Resources - Strategy & Climate Change	0	(51,300)	0	0	0
Requirement for Funding : Strategy & Resources - Strategy & Climate Change	0	(84,000)	0	0	0

2012/13 Budget - Capital Bids & Funding - HRA

Appendix: Page 1 of 5

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Housing Revenue Account

Capital Bids

Bids requiring funding

C2907	Purchase of Anti-Social Behaviour (ASB) Database with a Case Management System and Associated Server	0	27,020	0	0	0	Lynda Kilkelly	H
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Requirement for Capital Funding (included Above)

0 27,020 0 0 0

The current ASB IT system is not a case management tool and does not integrate with the Orchard system used by ASB and housing officers. The service is currently at risk of challenge, in that it does not adequately capture equalities data. It is highly deficient as a reporting tool. A new system will lead to service delivery improvements, with better case monitoring and management and performance management and reporting information available. It will also allow improved targeting of our services. [See also S2867, UR2880, RB2882, PPF 2879]

C2908	Bid to convert and re-claim part of an HRA dwelling asset for future re-letting	0	50,000	0	0	0	Robert Hollingsworth	H
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Requirement for Capital Funding (included Above)

0 50,000 0 0 0

Bid to reclaim part of Cemetery Lodge, allowing letting of a larger property as a miscellaneous lease [See also C2943]

2012/13 Budget - Capital Bids & Funding - HRA

Appendix: Page 2 of 5

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Housing Revenue Account

C2919	Bid to fully refurbish the Extra Care Housing at Ditchburn Place	0	3,075,000	0	0	0	Robert Hollingsworth	H
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Requirement for Capital Funding (included Above)

0 3,075,000 0 0 0

This capital bid relates to the inclusion of additional resource in the Housing Capital Programme to facilitate a full refurbishment of the extra care housing at Ditchburn Place. This funding will allow major works to the scheme to re-provide 36 units of extra care housing to modern and desirable standards, allowing fully independent living, which would also easily be re-configured for use as alternative accommodation if the County Council were not to require the scheme for extra care in years to come. This bid assumes the borrowing of resource through the headroom anticipated under HRA Self-Financing.

C2965	Installation of solar thermal panels and/or energy efficiency measures on housing properties.	0	60,000	0	0	0	David Kidston	H
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Requirement for Capital Funding (included Above)

0 60,000 0 0 0

Installation of solar thermal panels on housing properties to reduce the Council's carbon footprint and generate a 20 year financial return on investment from Government's Clean Energy Cash Back scheme. 1 property has been assessed as potentially financially viable, and the budget would be used to assess technical viability, purchase and install solar panels and associated structural and electrical works. If at the site assessment stage the site is found unsuitable, this money will be spent on energy efficiency measures instead. [See also C2966]

2012/13 Budget - Capital Bids & Funding - HRA

Appendix: Page 3 of 5

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Housing Revenue Account

C2972	Capital bid to allow re-purchase of ex-council homes under the right of first refusal	0	330,000	330,000	330,000	0	Sarah Lyons	H
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Requirement for Capital Funding (included Above)

0	330,000	330,000	330,000	0
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The right of first refusal legislation allows the Council to buy back ex right to buy dwellings from owner occupiers before they are openly marketed. There are clear circumstances where this might be of benefit to the Council - to meet a specific housing need or on a potential development site. The time frame to enact the Council's right is short, and this capital allocation, for the period of the 3 year affordable housing programme, will allow the re-purchase of up to 2 dwellings per year, if appropriate.

C2981	Cancellation of Solar PV panel installation	(208,000)	0	0	0	0	Bob Hadfield	H
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Requirement for Capital Funding (included Above)

(208,000)	0	0	0	0
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A capital scheme to introduce Solar PV panels and other energy initiatives was proposed in 2011/12 budget (C2655). Following a proposed reduction in the Government's Feed in Tariff, the expected internal rate of return on this project fell to 2% - the Council can achieve a significantly higher rate of return by investing in solar thermal panels and/or energy efficiency measures, hence the cancellation of this project. [See C2965 for new renewable energy project] [See also UR2983]

C2991	Voltage Optimisation at Ditchburn Place	0	13,950	0	0	0	David Kidston	H
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Requirement for Capital Funding (included Above)

0	13,950	0	0	0
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Following the successful trial of voltage optimisation technology at the Guildhall, this project is to supply and install the technology at Ditchburn Place. Through reduced electricity usage, the project is expected to achieve savings, which will in turn be passed on to residents of the scheme through reductions in service charges. [See also C2807]

2012/13 Budget - Capital Bids & Funding - HRA

Appendix: Page 4 of 5

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cftee Priority (Bids)
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Housing Revenue Account

C2992	Lighting control improvements at East Road garages	0	4,000	0	0	0	David Kidston	H
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Requirement for Capital Funding (included Above)

0	4,000	0	0	0
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As part of the Carbon Management Programme, investment of £4,000 is proposed in respect of introducing lighting controls at East Road garages [See also C2807]

C2993	Energy efficiency measures at Ditchburn Place	0	75,000	0	0	0	David Kidston	H
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Requirement for Capital Funding (included Above)

0	75,000	0	0	0
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Ear-marking of funding for additional energy efficiency measures at Ditchburn Place, to include improved heating and lighting systems and controls, with the benefit of any reduced energy costs being passed on to residents in the form of lower service charges. [See also C2807]

Total Bids requiring funding	(208,000)	3,634,970	330,000	330,000	0
Requirement for Funding : Bids requiring funding	(208,000)	3,634,970	330,000	330,000	0

2012/13 Budget - Capital Bids & Funding - HRA

Appendix: Page 5 of 5

Reference	Description / Justification	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Cttee Priority (Bids)
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Housing Revenue Account

Bids to existing funding

C2931	Bid to replace Orchard Business Objects Server and upgrade the associated reporting software	10,000	0	0	0	0	Julia Hovells	H
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Requirement for Capital Funding (included Above)

0	0	0	0	0
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This bid will allow for the replacement of a server and the associated software to facilitate continued reporting from the Orchard Housing Management Information System

Total Bids to existing funding	10,000	0	0	0	0
Requirement for Funding : Bids to existing funding	0	0	0	0	0
Total Housing Revenue Account	(198,000)	3,634,970	330,000	330,000	0
Requirement for Funding : Housing Revenue Account	(208,000)	3,634,970	330,000	330,000	0

Portfolio	Capital Ref	Description	Lead Officer	Current Budget 2011/12	Comments
Arts, Sport & Public Places	SC453	Upper River Cam Biodiversity Project (Developer Contributions)	G Belcher	£118,000	Project fully developed. Loss of original Developer Contributions funding for habitat creation requires either a bid to reserves or alternative Developer Contributions funding streams. Project transferred to the Hold List until resolved.
Arts, Sport & Public Places	SC455	Logans Meadow LNR Extension (Developer Contributions)	G Belcher	£188,000	Project still in development phase. Loss of original Developer Contributions funding for habitat creation requires either a bid to reserves or alternative funding streams. Project transferred to the Hold List until resolved.
Arts, Sport & Public Places	SC465	Upper River Cam Biodiversity Public Art (Developer Contributions)	A Preston	£29,000	Project has been put on hold whilst the funding issues for the wider Local Nature Reserve Biodiversity Project are resolved.
Arts, Sport & Public Places	SC472	Cherry Hinton Hall Vending Kiosk (Developer Contributions)	A Preston	£15,000	Project is incorporated within the Heritage Lottery Fund bid which is due to be submitted in August 2012 and determined by December 2012. It is therefore recommended to be put on the Hold List until the outcome of this bid is known.
Arts, Sport & Public Places	SC473	Cherry Hinton Hall Pond & Lake Restorations (Developer Contributions)	A Preston	£25,000	Project is incorporated within the Heritage Lottery Fund bid which is due to be submitted in August 2012 and determined by December 2012. It is therefore recommended to be put on the Hold List until the outcome of this bid is known.
Arts, Sport & Public Places	SC475	Nightingale Rec Pavilion Refurbishment (Developer Contributions)	I Ross	£18,000	Transferred to Hold List pending approval of funding source
Total for Arts, Sport & Public Places				£393,000	

Appendix Q

Capital & Revenue Projects Plan Expenditure & Funding (£ '000s)

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Projects	10,384	2,468	74	0	0
Programmes	25,545	10,319	10,371	10,300	7,295
Total Expenditure	35,929	12,787	10,445	10,300	7,295
Scrutiny Committee Reports					
Capital Rephasing - GF	(5,589)	5,589			
Capital Rephasing - HRA	(1,150)	1,150			
Devolved to Area Committees	(717)				
To Hold List	(393)				
Over / Underspends	(539)				
Budget Proposals					
Bids (Appendix O)					
GF	(224)	2,799	2,313	1,883	200
HRA	(198)	3,635	330	330	
Proposed Capital & Revenue Projects Plan (BSR)	27,119	25,960	13,088	12,513	7,495
Available Funding (MTS Sept 211)	(36,089)	(13,730)	(11,543)	(11,393)	(8,675)
Scrutiny Committee Reports					
Capital Rephasing - GF	5,589	(5,589)			
Capital Rephasing - HRA	1,150	(1,150)			
Devolved to Area Committees	717				
To Hold List	393				
Over / Underspends	539				
Budget Proposals					
Non-Reserves Funding Sources					
GF		(1,400)	(230)	0	0
HRA	198	(3,635)	(330)	(330)	0
Net Cash limit underspend 11/12 & 12/13		(121)			
2012/13 PPF Funding not applied		(244)			
Unapplied balance of New Homes Bonus funding		(703)			
US of GF Reserves down to £5m target level		(241)	(70)	(954)	318
Total Available Funding	(27,503)	(26,813)	(12,173)	(12,677)	(8,357)
(Surplus) / Shortfall in Funding	(384)	(853)	915	(164)	(862)

Ref	Project	Climate Change Indicator	2011/12	2012/13	2013/14	2014/15	2015/16
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General Fund

Community Services - Arts, Sport & Public Places

C2752	Creation of New Allotment Site	+M		15,000			
C2753	Programme of replacement of Parks and Open Space Waste/Litter Bins	+M		75,000	75,000	75,000	75,000
C2754	Installation of new sound equipment at Cambridge Corn Exchange	+M		200,000			

Community Services - Community Development & Health

C2942	Cambridge Crematorium - Chapels & Public Areas Refurbishment	Nil		120,000			
C2943	Refurbishment of Newmarket Road Cemetery buildings	+L		120,000			
C2944	Refurbishment of Staff room to incorporate garage conversion	Nil		30,000			
C2959	Release of Capital Funding for Safer City Grants	n/a		(17,000)	(17,000)	(17,000)	
C2990	Clay Farm Community Centre - Phase 1	Nil		420,000	230,000		

Community Services - Housing

C2810	Grant funding bid for Cambridge Property Accreditation Scheme (CPAS)	+M		50,000			
C2811	Funding to increase the uptake of energy efficiency improvements to private sector housing.	+H		150,000			
C2960	Bid to allow for changes to internal office layout for Housing Options / Choice Based Lettings	Nil		10,000			
C2985	Funding to upgrade facilities at 125 Newmarket Road	+L		100,000			

Environment - Environmental & Waste Services

C2804	Extension of current Public Conveniences programme (Refurbishment of Lion Yard toilets)	+M		300,000			
C2805	Street cleaning planning software	+L		15,000			
C2806	Litter bin replacement programme (new)	Nil		125,000	125,000	125,000	125,000
C2929	In cab technology for trade waste service	+M		16,000			

Environment - Planning & Sustainable Transport

C2755	Cambridge City 20mph Zones Project	+M		200,000	200,000		
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2012/13 Budget

Ref	Project	Climate Change Indicator	2011/12	2012/13	2013/14	2014/15	2015/16
C2822	Improvement to street lighting on Mill Road from the Railway Bridge to Perne Road	+M		60,000			
C2958	Refurbishment of Park Street Car Park	n/a			1,700,000	1,700,000	
C2970	Repairs to Grafton West Car Park	Nil		150,000			
C2971	Replace obsolete Shopmobility stock	Nil		15,000			

Strategy & Resources - Customer Services & Resources

C2739	Additional Two Desks and Interview Room in Customer Service Centre	Nil		25,000			
C2740	Information Kiosks to be installed in local areas	+L		25,000			
C2808	The introduction of a metered system for the supply of electricity on the Market	+M		50,000			
C2809	Electronic Market Management System	Nil		22,000			
C2920	Corporate PC Replacement Programme	+L		350,000			

Strategy & Resources - Strategy & Climate Change

C2736	Voltage Optimisation Roll Out	+H		32,700			
C2966	Installation of solar thermal panels and/or energy efficiency measures on non-housing properties.	+H		140,000			
C2982	Cancellation of Solar PV panel installation	Nil	(224,000)				
Total Funding Required from Reserves : General Fund			(224,000)	2,798,700	2,313,000	1,883,000	200,000

Ref	Project	Climate Change Indicator	2011/12	2012/13	2013/14	2014/15	2015/16
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HRA

Housing Revenue Account

C2907	Purchase of Anti-Social Behaviour (ASB) Database with a Case Management System and Associated Server	Nil		27,020			
C2908	Bid to convert and re-claim part of an HRA dwelling asset for future re-letting	Nil		50,000			
C2919	Bid to fully refurbish the Extra Care Housing at Ditchburn Place	+M		3,075,000			
C2931	Bid to replace Orchard Business Objects Server and upgrade the associated reporting software	Nil	10,000				
C2965	Installation of solar thermal panels and/or energy efficiency measures on housing properties.	+H		60,000			
C2972	Capital bid to allow re-purchase of ex-council homes under the right of first refusal	Nil		330,000	330,000	330,000	
C2981	Cancellation of Solar PV panel installation	Nil	(208,000)				
C2991	Voltage Optimisation at Ditchburn Place	+H		13,950			
C2992	Lighting control improvements at East Road garages	+H		4,000			
C2993	Energy efficiency measures at Ditchburn Place	+H		75,000			
Total Funding Required from Reserves : HRA			(198,000)	3,634,970	330,000	330,000	

Appendix T(a)

Capital Prudential Indicators 2012/13 – 2014/15

The Council's capital expenditure plans are a key driver of treasury management activity. Capital expenditure plans are reflected in prudential indicators, which are designed to provide members with an overview of the impact of capital expenditure.

A key issue currently facing the Council is preparations for the impact of HRA reform. The reforms will essentially end the housing subsidy system and will see the HRA as a stand-alone business. The legislation has now been enacted, and the Council will need to approve revised indicators reflecting the reforms going ahead.

The Council currently pays into the HRA housing subsidy system approximately £13m per year. On the ending of the current subsidy system the Council will be required to make a one-off payment to the Government which is provisionally estimated to be £214.384m. This payment is effectively HRA debt, and so the prudential indicators have been adjusted to reflect this change. The actual payment will be made on the 28 March 2012 and so the indicators will take immediate effect from the approval of these limits by Council.

Capital Expenditure

This Prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure £000	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
General Fund	5,032	18,817	5,756	3,278	3,193
HRA	9,514	17,112	7,031	7,167	7,107
HRA settlement	-	214,384	-		
Total	14,546	250,313	12,787	10,445	10,300
Financed by:					
Capital receipts	(792)	(6,227)	(840)	(803)	(782)

Other contributions	(13,754)	(29,702)	(11,947)	(9,642)	(9,518)
Net financing need for the year	0	214,384	0	0	0

The Council's Borrowing Need (the Capital Financing Requirement)

The second Prudential Indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure for which borrowing is required will increase the CFR.

Following accounting changes, the CFR includes any other long term liabilities (e.g. PFI schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council is asked to approve the CFR projections below

£000	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Capital Financing Requirement					
General Fund CFR	(894)	(894)	(894)	(894)	(894)
HRA CFR	893	893	205,277	195,277	185,277
HRA Settlement	-	214,384	-	-	-
Total CFR ¹	(1)	214,383	204,383	194,383	184,383

Movement in CFR represented by *					
Net financing need for the year	(1)	1	(204,383)	(194,383)	(184,383)
HRA Settlement	-	(214,384)	-	-	-
Less MRP/VRP and other financing movements	-	-	-	-	-
Movement in CFR	(0)	(214,383)	(204,383)	(194,383)	(184,383)

*the table assumes that loan repayments are based on Equal Instalments of Principal (EIP), for illustrative purposes only.

¹ **NB.** Borrowing profiles for HRA self-financing are currently being formulated by the Director of Resources in consultation with Ernst and Young (our recently appointed advisors on borrowing strategies)

Minimum Revenue Provision (MRP) Policy Statement 2012/13

As this Council is currently debt free and has no immediate plans to borrow externally to finance any General Fund capital expenditure in 2012/13, there is no need for this Council to determine a MRP policy for the forthcoming year. No revenue charge is currently required for the HRA. However under HRA reform the HRA will be required to charge depreciation on its assets, which will have a revenue effect. In order to address any possible adverse impact, regulations will allow the Major Repairs Allowance to be used as a proxy for depreciation for the first five years.

Treasury Management Strategy

Part of the treasury management function is to ensure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet its capital expenditure. This involves both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual deposit strategy.

Current Portfolio Position

The Council's treasury portfolio position at 31 March 2011, with forward projections are summarised below. The table shows the actual net external borrowing (for treasury management operations).

£000	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
External borrowing					
Net Borrowing at 31st March	1	(214,384)	(204,383)	(194,383)	(184,383)
Other long-term liabilities (OLTL)	-	-	-	-	-
Actual borrowing requirement at 31 March	1	(214,383)	(204,383)	(194,383)	(184,383)
Deposits at 31 March	56,437	34,953	32,432	32,372	32,423
Cumulative net borrowing requirement	56,438	(179,430)	(171,951)	(162,011)	(151,960)

Within the Prudential Indicators are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its total borrowing, net of any deposits, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2012/13 and the following two financial years (shown as cumulative net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Director of Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary

The operational boundary is the limit which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

Operational boundary £000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Outstanding debt (including HRA settlement)	214,384	204,384	194,384	184,384
Other long term liabilities	-	-	-	-
Total	214,384	204,384	194,384	184,384

The Authorised Limit for external borrowing

A further key Prudential Indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited, and this limit was previously set as part of the Medium Term Strategy 2011, approved by Council on 20th October 2011. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

The Authorised Limit follows in the table below:

Authorised limit £000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Outstanding debt (including HRA settlement)	250,000	250,000	250,000	250,000
Other long term liabilities	-	-	-	-
Total	250,000	250,000	250,000	250,000

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit £000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Total	231,651	231,651	231,651	231,651

Prospects for Interest Rates

The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Annex 2 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view.

Annual Average %	Bank Rate	Money Rates		PWLB Borrowing Rates		
		3 month	1 year	5 year	25 year	50 year
March 2012	0.50	0.70	1.50	2.30	4.20	4.30
June 2012	0.50	0.70	1.50	2.30	4.20	4.30
Sept 2012	0.50	0.70	1.50	2.30	4.30	4.40
Dec 2012	0.50	0.70	1.60	2.40	4.30	4.40
March 2013	0.50	0.75	1.70	2.50	4.40	4.50
June 2013	0.50	0.80	1.80	2.60	4.50	4.60
Sept 2013	0.75	0.90	1.90	2.70	4.60	4.70
Dec 2013	1.00	1.20	2.20	2.80	4.70	4.80
March 2014	1.25	1.40	2.40	2.90	4.80	4.90
June 2014	1.50	1.60	2.60	3.10	4.90	5.00

The Economy

Growth in the UK economy is expected to be weak in the next two years and there is a risk of a technical recession (i.e. two quarters of negative growth). Bank Rate, currently 0.5%, underpins deposit returns and is not expected to start increasing until quarter 3 of 2013 despite inflation currently being well above the Monetary Policy Committee inflation target. Hopes for an export led recovery appear likely to be disappointed due to the Eurozone sovereign debt crisis depressing growth in the UK's biggest export market. The Comprehensive Spending Review, which seeks to reduce the UK's annual fiscal deficit, will also depress growth during the next few years.

Fixed interest borrowing rates are based on UK gilt yields. The outlook for borrowing rates is currently much more difficult to predict. The UK total national debt is forecast to continue rising until 2015/16; the consequent increase in gilt issuance is therefore expected to be reflected in an increase in gilt yields over this period. However, gilt yields are currently at historically low levels due to investor concerns over Eurozone sovereign debt and have been subject to exceptionally high levels of volatility as events in the Eurozone debt crisis have evolved.

This challenging and uncertain economic outlook has several key treasury management implications:

The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;

Deposit returns are likely to remain relatively low during 2012/13;

Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;

There will remain a cost of capital – any borrowing undertaken that results in an increase in deposits will incur a revenue loss between borrowing costs and deposit returns.

The following tables consolidate the Prudential and Treasury Management Indicators for Cambridge City Council, from 2010/11 to 2014/15 inclusive.

PRUDENTIAL INDICATORS	2010/11 actual (£000)	2011/12 probable outturn (£000)	2012/13 estimate (£000)	2013/14 estimate (£000)	2014/15 estimate (£000)
Capital Expenditure					
General Fund	5,032	18,817	5,756	3,278	3,193
HRA	9,514	17,112	7,031	7,167	7,107
TOTAL	14,546	35,929	12,787	10,445	10,300
Ratio of financing costs to net revenue stream					
General Fund	(370)	(356)	(791)	(1,606)	(2,409)
HRA	(37)	(24)	9,934	9,869	9,792
	(407)	(380)	9,143	8,263	7,383
Net borrowing requirement					
Capital Financing Requirement as at 31 March					
General Fund	(894)	(894)	(894)	(894)	(894)
HRA	893	215,277	205,277	195,277	185,277
TOTAL	(1)	214,383	204,383	194,383	184,383
Annual change in Capital Financing Requirement					
General Fund	(1)	0	0	0	0
HRA	0	214,383	204,383	194,383	184,383
TOTAL	(1)	214,383	204,383	194,383	184,383
Incremental impact of capital deposit decisions	£ p	£ p	£ p	£ p	£ p
Increase in council tax (Band D, per annum)	0.00	0.00	0.00	0.00	0.00
Increase in housing rent per week	0.00	0.00	0.00	0.00	0.00
	(no increases in either council tax or housing rents are anticipated in connection, specifically, with the reform of the HRA)				

TREASURY MANAGEMENT INDICATORS	2010/11 actual (£000)	2011/12 probable outturn (£000)	2012/13 estimate (£000)	2013/14 estimate (£000s)	2014/15 estimate (£000s)
Authorised limit for external debt					
Borrowing	250,000	250,000	250,000	250,000	250,000
Other long term liabilities	-	-	-	-	-
TOTAL	250,000	250,000	250,000	250,000	250,000
Operational boundary for external debt					
Borrowing	3,000	214,384	204,384	194,384	184,384
Other long term liabilities	-	-	-	-	-
TOTAL	3,000	214,384	204,384	194,384	184,384
Actual external debt	0	214,384	204,384	194,384	184,384
Upper limit for fixed interest rate exposure					
Net interest re fixed rate borrowing / deposits	(320)	(400)	721	660	607
Upper limit for variable rate exposure					
Net interest re variable rate borrowing / deposits	(120)	(375)	(420)	(420)	(420)
Upper limit for total principal sums invested for over 364 days					
(per maturity date)	5,000	5,000	5,000	5,000	5,000
Maturity structure of new fixed rate borrowing during 2011/12		Upper Limit	Lower limit		
Under 12 months		100%	0%		
12 months and within 24 months		100%	0%		
24 months and within 5 years		100%	0%		
5 years and within 10 years		100%	0%		
10 years and above		100%	0%		

Explanatory notes on the Prudential and Treasury Indicators

Prudential Indicators

1. **Capital expenditure and the incremental impact of capital deposit decisions on council tax or average weekly housing rent**

A fundamental indicator of the affordability of capital expenditure is the impact upon council tax or HRA housing rents. In considering the Capital Plan, the Council is required under the Prudential Code to have regard to:

- Affordability, e.g. implications for council tax
- prudence and sustainability, e.g. implications for external borrowing
- value for money, e.g. option appraisal
- stewardship of assets, e.g. asset management planning
- service objectives, e.g. strategic planning for the authority
- practicality, e.g. achievability of the forward plan.

2. **Ratio of financing costs to net revenue stream**

Financing costs are made up of interest payable on borrowings offset by interest receivable on deposits. Calculations are done for both General Fund and HRA and the results expressed as a %age of net revenue stream (i.e. amounts to be met from government grants and local taxpayers).

3. **Net borrowing requirement**

CIPFA's Prudential Code for Capital Finance in Local Authorities includes as a key indicator of prudence:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two years.

(Note: Net external borrowing is borrowing less deposits).

The Director of Resources reports that the Council should not have any difficulty meeting this requirement in the forthcoming or future years. This view takes into account current commitments, existing plans and the proposals in this budget report.

4. Capital Financing Requirement

The capital financing requirement measures the authority's underlying need to borrow for a capital (not revenue) purpose. It does not necessarily mean that borrowing will be undertaken.

Treasury Indicators

5. Authorised Limit and Operational Boundary (External Debt)

Although the Council is currently debt free (within the General Fund), the Prudential Code recommends that authorities approve 2 sets of borrowing limits to cover for 1) the most likely scenario and 2) uncertain events; these limits are referred to as the 'operational boundary' limit and the 'authorised' limit respectively. Both sets of limits differentiate between 'borrowing' and 'other long term liabilities', such as finance leases.

These limits are estimated after taking into account the Council's plans for capital expenditure, its capital financing requirement, and estimates of cashflow for all purposes.

6. Upper limits on fixed and variable interest rate exposures

The effect of setting these upper limits is to provide ranges within which the authority will manage its exposures to fixed and variable rates of interest. Once again, interest on borrowing (where required) is offset by interest on deposits. The Council does not have any debt but has a considerable amount of deposits at fixed rates.

7. Deposits for periods longer than 364 days

The Prudential Code obliges Councils, who plan to invest for periods longer than 364 days, to set an upper limit for such sums in each financial year. The purpose of such limits is for the Council to contain its exposure to the possibility of losses arising as a result of it having to seek early repayment or redemption of these deposits.

Annex 2

Interest Rate Forecasts

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy).

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

Individual Forecasts

Sector interest rate forecast – 7 December 2011

	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.25%	2.50%
5yr PWLB rate	2.30%	2.30%	2.30%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.10%	3.30%	3.50%	3.70%
10yr PWLB rate	3.30%	3.30%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	4.00%	4.20%	4.40%	4.60%	4.80%
25yr PWLB rate	4.20%	4.20%	4.20%	4.30%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%
50yr PWLB rate	4.30%	4.30%	4.30%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%

Capital Economics interest rate forecast –7 December 2011

	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Dec 13
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
5yr PWLB rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
10yr PWLB rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
25yr PWLB rate	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%
50yr PWLB rate	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%

UBS interest rate forecast (for quarter ends) – 7 December 2011

	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%
10yr PWLB rate	3.45%	3.45%	3.50%	3.60%	3.65%
25yr PWLB rate	4.80%	4.90%	4.90%	4.90%	4.90%
50yr PWLB rate	4.80%	4.95%	4.95%	5.00%	5.00%

Appendix T(b)

Treasury Management Borrowing Strategy

The requirement for the HRA reform settlement to be made to the CLG on 28 March 2012 will require a separate consideration of a borrowing strategy. The Council will need to have the cash settlement amount of £214.384m available by the 28th March 2012, so separate borrowing solely for this purpose is anticipated.

The PWLB are providing loans at interest rates 0.85% lower than the usual PWLB interest rates solely for the settlement requirements. This provides a compelling reason to utilise this borrowing availability. The exact structure of debt to be drawn is currently being considered by officers to ensure it meets the requirements of the HRA business plan and the overall requirements of the Council.

Whilst the debt can be drawn earlier than needed, this may incur a revenue cost, and will be considered when a review of the structure of actual prevailing borrowing and deposit interest rates is undertaken nearer to the time.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Policy on Borrowing in Advance of Need

The Council will not borrow more than, or in advance of its needs, purely in order to profit from the deposit of the extra sums borrowed.

Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Appendix T(c)

Treasury Management Annual Investment Strategy

Investment Policy

The Council will have regard to the CLG's Guidance on Local Government Deposits ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

The Council's deposit priorities are (and in this order): -

- the security of capital;
- the liquidity of its deposits; and;
- the return on its deposits.

The Council will also aim to achieve the optimum return on its deposits commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to the security of its deposits.

In the light of the unprecedented global financial uncertainties, the following changes are recommended to the Council's Treasury Management Strategy, (which will continue for 2012/13). Part of the rationale for the changes proposed is that the Council is experiencing difficulties in placing funds with counterparties currently on its list. In particular, other local authorities have similar patterns of cash flow, meaning that there is limited demand from them for funds when we have surplus cash to invest.

The recommended changes are:

- to increase the maximum sum that can be invested with HSBC Bank Plc from £12m to £16m. This recommendation reflects the continuing and increasing difficulties being experienced in placing money within the current market, and would allow the Council the flexibility to retain short-term money with its own bank;
- to amend the limit for a single named institution from £6m to £10m; (retaining the existing maximum sum which may be invested with

counterparties belonging to the same company group at 1.5 times the level for a single named institution); and

- to have the flexibility to use other financial means available to the Council, such as bank call accounts, notice accounts, money market funds, treasury bills and gilts. However, use of such financial instruments would be subject to an assessment in conjunction with the Council's treasury management advisors (Sector) to ensure that it would not prejudice the council's deposit priorities.

The following table provides comparative estimated outturn rates for current deposit types. This illustrates the additional returns that could be earned by increasing the maximum sums that may be invested with UK Banks and Building Societies, without significantly increasing the security of the Council's deposits.

Treasury Interest % Rates - Estimates for 2011/12	
Deposit Type	Estimated % Return for Year
Debt Management Account Deposit Facility	0.25%
HSBC Deposit A/c	0.30%
Deposits with Local/Fire/Police Authorities	0.39%
Deposits with UK Banks & Building Societies	1.01%

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Deposit instruments identified for use in the financial year are listed on [pages 204](#) and 205 under the headings 'Specified' and 'Non-Specified' Deposits.

Creditworthiness policy

This Council uses the creditworthiness service provided by Sector. This service uses a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. However, the Council does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies

- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

(Note: CDS are a kind of insurance scheme, within the money markets, where the price for insuring against a counterparty defaulting can be monitored, e.g. traders will want to buy protection, and hence the price will increase, when they think that the credit quality of a counterparty will decrease, and vice-versa. Often CDS provide earlier warning signs of impending counterparty credit issues than would otherwise be the case if reliance was placed solely on the credit rating agencies).

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for deposits and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its deposits. It is also a service which the Council would not be able to replicate using in house resources.

The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Sector's weekly credit list of worldwide potential counterparties. The Council will therefore use counterparties within the following durational bands:

SECTOR creditworthiness service	
Colour	Duration bands
Yellow	5 years (this category is for AAA rated Government debt)
Purple	2 years
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months

SECTOR creditworthiness service	
Green	3 months
No Colour	Not to be used

This Council will not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties as Moodys tend to be more aggressive in giving low ratings than the other two agencies. It is considered that this would therefore be unworkable and leave the Council with few banks on its approved lending list. The Sector creditworthiness service does though, use ratings from all three agencies, but by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Credit ratings will be monitored daily. The Council is alerted to changes in ratings from all three of the credit rating agencies through its use of the SECTOR Creditworthiness Service.

If a downgrade results in the counterparty/ deposit scheme no longer meeting the Council's minimum criteria, its further use as a new deposit will be withdrawn immediately.

In addition to the use of credit ratings, the Council will be advised of information in movements in the 'Credit Default Swap' (CDS) markets and other market data on a weekly basis. Extreme movements in this market may result in the downgrade of a counterparty or removal from the Council's counterparty list.

The Council will not place sole reliance on the use of this external service and will act to protect its interests should additional market data or information bring into question the current creditworthiness of any counterparty.

Specified Deposits:

Specified deposits are those identified as offering high security and high liquidity by reference to a formal credit rating. These are deposits that are sterling denominated, with maturities up to a maximum of 1 year and which meet the minimum 'high' credit rating criteria where applicable.

Deposit Instrument	Minimum 'High' Credit Criteria
Term deposits – UK Local Authorities	N/A
Term deposits – UK Police Authorities	N/A
Term deposits – UK Fire Authorities	N/A
Term deposits – Passenger Transport Authority	N/A
Term deposits – UK Nationalised Industries	N/A
Term deposits – UK Nationalised banks	In accordance with Sector's creditworthiness service (see above)
Term deposits – UK Nationalised banks (to include call accounts and notice accounts)	In accordance with Sector's creditworthiness service (see above)
Debt Management Account Deposit Facility	N/A
Term deposits – other UK banks and building societies	In accordance with Sector's creditworthiness service (see above)
Term deposits – other UK banks and building societies (to include call accounts and notice accounts)	In accordance with Sector's creditworthiness service (see above)
Term deposits – UK subsidiaries of foreign institutions	Where the parent company also meet our lending criteria and resides in a country with a sovereign credit rating of AAA.
UK Government Treasury bills (shorter term Government debt)	AAA
Money Market Funds	AAA
Fund Managers	AAA

Non-Specified Deposits

These are deposits that, by definition, do not meet the conditions laid down in the above paragraph and potentially carry additional risk, e.g. lending for periods beyond one year.

Deposit Instrument	Minimum Credit Criteria
Term deposits – UK Local Authorities	N/A
Term deposits – UK Police Authorities (with maturities in excess of 1 year)	N/A
Term deposits – UK Nationalised Industries (with maturities in excess of 1 year)	N/A

Deposit Instrument	Minimum Credit Criteria
Term deposits – UK Nationalised banks (with maturities in excess of 1 year)	In accordance with Sector's creditworthiness service (see above)
Debt Management Account Deposit Facility (with maturities in excess of 1 year)	N/A
Term deposits – other UK banks and building societies (with maturities in excess of 1 year)	In accordance with Sector's creditworthiness service (see above)
Term deposits – UK subsidiaries of foreign institutions (with maturities in excess of 1 year)	Where the parent company also meet our lending criteria and resides in a country with a sovereign credit rating of AAA.
UK Government gilts (longer term Government debt)	AAA
Supranational Bonds (Multi-lateral Development Bank bonds)	AAA

In February 2011, Council approved a recommendation to allow up to £5million of 'core' deposits (i.e. sums that are likely to be needed in the short to medium term) to be invested for periods of up to 3 years. This was seen as likely to be beneficial on those occasions when a deposit can be made in advance of a fall in medium to long-term interest rates. Having a strategy in place to take advantage of such situations, as and when they arise, provides the opportunity to enhance interest receipts.

The Council does not, currently, have any longer term deposits as medium to long-term interest rates are not expected to fall any further but only to increase.

Current longer term Deposits	Amount £	Maturity	Rate
NIL	NIL	N/A	N/A

Country limits (sovereign credit ratings)

The Council has determined, in general, to suspend lending to overseas financial institutions and their UK subsidiaries from the Council's Counterparty List. Subject to this, it is proposed that investments in money market funds and supranational bonds be permitted provided that they are rated AAA. This will give the Council more flexibility to achieve a higher yield, without significantly

impacting risk. Any associated risks of such deposits would be assessed in association with the Council's Treasury Management advisors (Sector) and advised to the Council.

The Council agreed at its meeting on 25 February 2010, to lend to UK subsidiaries of foreign institutions, but only where the parent company also meets the Council's lending criteria and resides in a country with a sovereign credit rating of AAA.

Counterparty List

The revised counterparty list is shown in Annex 3 to this report and the proposed changes are shown in italics.

Investment Strategy

The Council manages its deposits in-house. As in past years, any deposit decision will have regard to the Council's cash flow requirements and the outlook for short/medium-term interest rates. There will, therefore, be a mix of maturity periods at any one time. The prudent commitment of funds will be a basic principle.

Interest rate outlook

Sector forecasts Bank Rates to remain unchanged at 0.50% before starting to rise from quarter 3 of 2013. Forecasts for bank rate at financial year-ends are as follows:

March 2012	0.50%
March 2013	0.50%
March 2014	1.25%
March 2015	2.50%

There is a downside risk to these forecasts if economic growth remains weaker and slower than currently expected.

The Council will avoid locking into longer term deals while deposit rates are down at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within the risk parameters set by this council.

Icelandic Bank Deposits – Update

On 28 October 2011 the Icelandic Supreme Court ruled that deposits placed by test case UK local authorities and other wholesale depositors in Landsbanki hf have priority status over other creditors in the winding up of the bank. Although we await confirmation that the ruling will be applied to non-test cases it is anticipated that a high proportion of the Council's Landsbanki hf deposits will be returned. The actual repayments are currently expected to be partially in foreign currency. It is too early to provide a definitive policy on how the associated exchange rate risk will be managed, but the expectation is that the risk will be minimised and assets converted to sterling at the earliest opportunity.

Policy on the use of external service providers

The Council uses Sector Treasury Services Ltd as its external treasury management advisers. Their current contract ends on 31st July 2012.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon its external service providers.

The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. It will therefore ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Treasury Management Scheme of delegation

Annex 4 shows the Treasury Management Scheme of Delegation for the Authority.

The Treasury Management Role of the section 151 officer

The Authority's Section 151 Officer is the Director of Resources. Annex 5 details the role the Section 151 Officer in relation to the Council's Treasury Management function.

Treasury Management Practices (TMPs)

The Council operates in accordance with CIPFA's Treasury Management Code of Practice 2011 and as such has produced a set of Treasury Management Practices to give a framework under which it operates.

These practices will be amended to reflect any changes to strategy arising from the recommendations in this report. The revised set of Treasury Management Practices will be reported as part of the Annual Treasury Report.

Annex 3

Revised Counterparty List

(Note: italics show amendments being recommended to Council in this report)

The full listing of approved counter-parties is shown below:

UK Building Societies

Nationwide United Kingdom

UK Banks

Barclays Bank Plc United Kingdom

HSBC Bank Plc United Kingdom

Standard Chartered Bank United Kingdom

Local Authorities – All UK Local Authorities

Police Authorities – All UK Police Authorities

Fire Authorities – All UK Fire Authorities

Passenger Transport Authorities – All UK Passenger Transport Authorities

Nationalised Industries – All UK Nationalised Industries

Debt Management Account – Deposit Facility

UK Nationalised Banks

UK Subsidiaries of Foreign Institutions

Other Financial Instruments

UK Government gilts and treasury bills (long and short term Government debt)

Money Market Funds (Further debt instrument)

Supranational bonds (Multi-lateral Development Bank bonds)

Annex 4

Treasury Management Scheme of Delegation

Council

- a) Approval of reports on treasury management policies, practices, activities and performance and any subsequent amendments to the organisation's adopted clauses on treasury management.
- b) Approval of the annual treasury management strategy.
- c) Approval of the division of responsibilities.

The Leader

- a) Receiving and reviewing regular monitoring reports and acting on recommendations
- b) Approving the selection of external service providers and agreeing terms of appointment
- c) Making recommendations to Council in relation to Treasury Management matters

Strategy & Resources Scrutiny Committee

- a) Reviewing the treasury management policy and procedures and commenting on recommendations to Council.
- b) Receiving and reviewing the regular monitoring reports from the Director of Resources.

Annex 5

The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer

1. Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly and monitoring compliance
2. Submitting regular treasury management policy reports
3. Submitting budgets and budget variations
4. Receiving and reviewing management information reports
5. Reviewing the performance of the treasury management function
6. Ensuring the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function
7. Ensuring the adequacy of internal audit and liaising with external audit
8. Recommending the appointment of external service providers

Appendix U

Sensitivity Analysis

Topic	Quantum	BSR Assumption	Risk
Employer's Pension Contribution	£35m	BSR includes provision for increases of 0.75% from 2011/12 to 2016/17	Assumptions on life expectancy and negative market effects on the value of assets in the Pension Fund leading to increased employer contribution requirements above the level of provision already made
Pay Settlement	£35m	0% in 2011/12 and 2012/13	Actual pay award settlements are agreed at a level, mitigated by central government's proposal for 1% increases for the public sector for 2013/14 and 2014/15
Developer Contributions	c. £5.9m	All contributions are used in compliance with terms of agreements	<p>Failure to meet conditions of individual schemes leads to the requirement to repay contributions and accrued interest to developers.</p> <p>Developers seek to renegotiate current agreements in order to improve the viability of their schemes putting at risk the ability to deliver essential infrastructure</p> <p>If the Community Infrastructure Levy is implemented this may reduce income from individual developments.</p>
Energy costs (all)	£1.2m	Officer assessment of current conditions and trends, based on latest contracts	Volatility of world market prices
Future Capital Receipts	Income	Occasional disposal of assets as outlined in the Disposal Programme. Income not taken into account until received.	Market conditions significantly reduce the value of Council assets with the associated reduced level of funding available for new capital investment. Purchaser's ability to buy is limited due to financing constraints.
Investment Income	+/- 1% is c.£500k for 2012/13	Assumptions are shown in Appendix T. These are based on a mid-range level provided by market analysts.	<p>Rates fall further than anticipated or for a longer period.</p> <p>A shorter period of recession or a less steep decline in rates would result in increase in investment income. (Positive)</p>
Non-Pay inflation		General inflation on expenditure - included at 2.7% (CPIY June 2011). General inflation provision from 2013/14 onwards has been included at 2% (based on the Government target for CPI inflation).	General Inflation rises more quickly than anticipated placing greater pressure on cash limited budgets or on General Reserves to fund those pressures.

Topic	Quantum	BSR Assumption	Risk
General Fund			
Housing Benefits		Officer assessment of current conditions and trends	Council funded element of provision of the service. Potential increase in Housing Benefit fraud
Council Tax Income	£7.0m p.a.	0% increase for 2012/13 and 2.5% for 2013/14 ongoing are built into projections	Capping criteria are set retrospectively and breaching the criteria could lead to a requirement for rebilling and associated costs together with the loss of Council Tax income. Economic climate may require an increase in enforcement activity.
Car Parking Income	c. £9.0m	Based on Officer and external consultants' projections of usage	Economic downturn reduces usage and/or increased use of Park & Ride and impact of new guided bus.
Bereavement Services Income	£1.5m	Current mortality rates built into BSR assumptions	Falling mortality rate [yet ageing population in Cambridge] Opening of competitor facilities (new Crematorium opening in town of March during 2010) further planning applications are anticipated in view of the expansion of Cambridge sub region and the comparatively low investment required for a profitable new build crematorium with private sector operating costs Success of Commemoration scheme (Positive)
Planning Fee Income	c. £1.0m	Income projections are consistent with the basis for the 2011/12 budget	Impact of economic downturn is greater or longer than anticipated
Building Control Fee Income	c. £0.5m	Based on break-even full cost recovery position for the Building Control Service	Impact of economic downturn is greater or longer than anticipated Increased competition from approved inspectors leading to smaller market share New LABC fees guidance leads to significant over or under-recovery of costs
Corn Exchange Income	c. £1.4m	Based on Officer projections of attendance	Economic downturn leads to fall in attendances. Social change leads to lower attendance at live concerts
Folk Festival Income	c. £1.5m	Based on assumption that all tickets will be sold	Economic downturn leads to fall in attendances (as in 2010) and/or failure to retain sponsorship
Market Income	c. £0.7m	Officer assessment of current market conditions and future trends	Increased level of voids as a result of the current economic climate, mitigated by new traders coming to the market as we seek to widen the range of services on the market and the cost of business premises is prohibitive for start-ups.
Commercial Property Income	c. £7.2m	Officer assessment of current market conditions and future trends	Economic conditions lead to increase in voids, increased level of unrecoverable debts, less significant rent increases.

Topic	Quantum	BSR Assumption	Risk
Land Charges Income	c. £0.2m	Reductions based on latest experience have been incorporated	Increased proportion of personal searches and reduced number of overall searches due to market conditions. Potential loss of ability to charge for Personal Searches following a decision by the Information Commissioner.
Housing Revenue Account			
Housing Rent Collection		Budgeted costs based on historic enforcement activity.	Economic climate may require an increase in enforcement activity.
Housing Rents		Based on assumption that actual rent increases are imposed in line with guideline rent increases as per the HRA Subsidy Determination, with convergence in 2015/16. Continuation of caps and limits compensation is also assumed <i>(subject to impact of Self Financing below)</i>	To avoid penalty in the subsidy system, actual rent increases have needed to follow increases in guideline rents. Any decision to deviate from this would have a significant negative financial impact for the HRA, in turn putting pressure on the Council's ability to invest in meeting and maintaining decent homes standards in the housing stock. Any further change in convergence date could have a detrimental financial impact on the HRA. <i>(subject to impact of Self Financing below)</i>
HRA Self Financing		Major changes to be implemented from 1 April 2012	Revenue funding for the HRA may not be improved as anticipated by the introduction of a self-financing system. Change in government policy leads to inability to build own social housing stock.

Appendix V

Significant Events

Topic	Indicative Value	2011/12	2012/13	2013/14	2014/15	2015/16
Spending Review	£12.4m	Future frequency to be agreed				
VAT Partial exemption	c. £500k if breached	Potential liability if limit is breached in successive years, subject to review of revised rules				
Elections	n/a		City: 25 July 2012	County: 2 May 2013	City: 1 May 2014	City: to be confirmed
National Census	n/a	Census results may feed into the government funding settlement for 2013/14 and will inform the next Spending Review				
Housing Self Financing & Prudential Borrowing	£215m		Implementation of Self Financing regime			
Pension Fund Triennial Actuarial Review	+/- 1% GF £ 219,000 HRA £ 85,000	First anticipated change in employer contributions resulting from revaluation		Triennial revaluation on position at 31 March 2013	First anticipated change in employer contributions resulting from revaluation	
Refurbishment of Brandon Court	c. £3.6m		Anticipated completion			
Cherry Hinton Hall Park redevelopment	c £1.0m		Heritage Lottery bid	Improvement Works		
Zion Baptist Church	c. £3.5m	Building completion and hand back by January 2012				
Lion Yard	£1.8m	Works subject to agreement of toilet provision				
Mercury Abatement	c. £1.8m	Installation by March 2012				
ICT Contract	c. £2.0m pa	2 year contract extension from July 2011			Contract expires June 2013	
Leisure Contract Renewal	c. £0.6m pa		Full tender options appraisal	Leisure Contract expires September 2013		

Appendix W

Equality Impact Assessment

Budget 2012-2013

Equality Impact Assessment

General Information	
1.	<p>Title of strategy, policy, plan, project, contract, major change in service or decision:</p> <p>Budget 2012-2013</p>
2.	<p>What is the objective or purpose of the strategy, policy, plan, project, contract, major change in service or decision?</p> <p>To enable the City Council to set a balanced budget that reflects the Council's eight vision statements and takes into account councillors' priorities in its proposals for achieving the savings required.</p>
3.	<p>Who will be affected by this strategy, policy, plan, project, contract, major changes in services or decision? (Please tick those that apply)</p> <p><input checked="" type="checkbox"/> Residents</p> <p><input checked="" type="checkbox"/> Visitors</p> <p><input checked="" type="checkbox"/> Staff</p> <p>A specific client group or groups (please state):</p>
4.	<p>What type of strategy, policy, plan, project, contract, major change in service or decision is this? (Please tick)</p> <p><input type="checkbox"/> New</p> <p><input checked="" type="checkbox"/> Revised</p> <p><input type="checkbox"/> Existing</p>
5.	<p>Responsible department, section, service manager and Head of Service.</p> <p>Department: Resources</p> <p>Section: Accountancy and Support Services</p> <p>Service Manager: n/a</p> <p>Head of Service: Julia Minns</p>
6.	<p>Are other departments or partners involved in delivering this strategy, policy, plan, project, contract, major change in service or decision?</p> <p><input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Yes (please give details):</p> <p>This is an assessment of the Council's budget and therefore covers all our services. The budget affects some of our partnership working, notably with Cambridgeshire County Council, and it has an impact on the voluntary and community sector.</p>

Gathering Performance Data

7.	How do you (or how will you) monitor the impact of the strategy, policy, plan, project, contract, major change in service or decision? <i>(Please tick any that apply and give examples e.g. bench marking with the Housing Quality Network)</i>	
	<input checked="" type="checkbox"/> Performance indicators/targets <input checked="" type="checkbox"/> Benchmarking with other organisations <input type="checkbox"/> User satisfaction survey results <input checked="" type="checkbox"/> Consultation results <input checked="" type="checkbox"/> Complaints information <input checked="" type="checkbox"/> Freedom of Information requests <input checked="" type="checkbox"/> Service uptake data	<input checked="" type="checkbox"/> External verification e.g. inspection results, views of organisations representing equalities groups <input type="checkbox"/> Staff survey results <input type="checkbox"/> Workforce monitoring data <input type="checkbox"/> Partnership consultation <input type="checkbox"/> Other (please state:) <input type="checkbox"/> None

8	Which of the equalities groups does this monitoring data relate to? (Please tick any that are relevant)	
	<input checked="" type="checkbox"/> Age <input checked="" type="checkbox"/> Disability <input checked="" type="checkbox"/> Gender/transgender <i>(inc gender re-assignment, pregnancy and maternity)</i> <input type="checkbox"/> Marriage and Civil Partnership <input checked="" type="checkbox"/> Race <input type="checkbox"/> Religion/belief <input type="checkbox"/> Sexual orientation <input type="checkbox"/> None	<p>Other factors that may lead to inequality e.g. social class, income or financial exclusion, children in care, ex-offenders <i>(please state):</i></p> <p>Income</p> <p>If you collect different monitoring data for different groups for different aspects of your service please give details here:</p>

Analysing Performance Data

9. Using the monitoring information that you have or will be collecting, please indicate if the impact of the strategy, policy, plan, project, contract, major change in service or decision is/is likely to be the same for the equalities groups as it is for the population or the workforce as a whole.				
	Same impact	Not same impact	Positive (P) / / Negative(N)	Insufficient evidence
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Both	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Both	<input type="checkbox"/>
Gender (<i>Inc pregnancy and maternity</i>)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Both	<input type="checkbox"/>
Transgender (<i>inc gender re-assignment</i>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage and Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion/belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Both	<input type="checkbox"/>
Sexual orientation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other factors that may lead to inequality (please state):	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None				

10.	<p>List and explain any negative impacts identified in Qu 9. State which equalities group is/may be affected, what the negative impact is/may be and give details of any evidence of this impact/potential impact e.g. document titles, web links.</p> <p>These changes are yet to be made and at this stage are potential negative impacts. Information has been provided later in this form as to how it is proposed or expected that potential negative impacts would be mitigated.</p>
------------	---

Equalities Group Affected: (a) All groups

The proposal to cash limit Leisure Grants and Community Development Grants could reduce the capacity of grant recipients to meet the needs of as many vulnerable people as previously, depending on how the grants are allocated.

The proposal to reduce the budget for corporate consultation could limit the council's capacity to consult residents on key corporate priorities. However, the reduced budget would reflect the actual amount spent in previous years on corporate consultation and it is anticipated that the new budget would be sufficient to meet the expected activity.

The decision to reduce the hours of the Human Resources Diversity Adviser post could reduce the council's capacity for delivering equalities work and supporting staff and managers. However, equalities work is now well embedded in service departments and less central support is therefore needed. Resources are being provided under a shared services agreement and by other officers of the council. These arrangements should mitigate any potential negative impacts.

The decision to reduce funding for Trade Union Branch Secretary posts could affect trade union members. Although Branch Secretary capacity will be reduced, it is expected that the trade union shop stewards will become more active in case work and attending meetings if necessary. It is not anticipated that any trade union member will be denied access to a trade union representative or the Branch Secretaries will not be consulted on the issues that they are currently consulted on through the current channels.

Equalities Group Affected: (b) Vulnerable people, older people and disabled people

The reduction in the Supporting People Grant will reduce the capacity of the Independent Living and Floating Support Services to meet the needs of vulnerable people.

There are bids for a contribution towards a post in the Independent Living Service to allow community-based support to vulnerable older residents and for the provision of Landlord/Premises and Support Services to Sheltered Housing Tenants. These would benefit the affected groups and mitigate the effect of the reduction in the grant to some degree; however overall there would be a net reduction of 1.69FTE.

The substantial bid to fully refurbish the Extra Care Housing at Ditchburn Place would greatly benefit the service users in the longer-term, however in the shorter-term may cause them some distress as the work is completed.

Equalities Group Affected: (c) People on low incomes (suffering fuel poverty)
<p>The cancellation of the planned Solar PV panel installation on City Council housing properties will mean that tenants do not benefit from the savings this would have achieved.</p> <p>The bid for installation of solar thermal panels and/or energy efficiency measures on housing properties will mitigate the effect to some degree.</p> <p>The bid for funding to increase the uptake of energy efficiency improvements for private sector housing will also contribute to addressing fuel poverty.</p>
Equalities Group Affected: (d) Council tenants
<p>The bid for funding for two additional caretaker posts across housing estates will benefit tenants by improving the environment of the estates. However, the new service will be funded through service charges to tenants and leaseholders.</p> <p>A review of building cleaning should result in a reduction in the cost of Communal Cleaning and Premises Service Charges, which will be passed on to tenants and leaseholders in the form of lower service charges.</p>
Equalities Group Affected: (e) Older people, disabled people and people on low incomes
<p>It is proposed to make savings from the Customer Service Centre budget by introducing a payment kiosk and self serve, changes to Guildhall reception and switchboard, encouraging lower cost and more automated forms of contact and income from partnership work with St Albans. Further savings will be realised through the implementation of e-benefits and e-council tax.</p> <p>This could disadvantage those groups that are less likely to use technology to self-serve. The council will continue to offer people a range of ways to engage with it, including over the phone and face-to-face.</p>

11.	Are or will people from equalities groups take up services associated with the strategy, policy, plan, project, service, contract, major change in service or decision at the same rate as the population or the workforce as a whole?
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Insufficient evidence	<p>If no, please provide details....</p> <p>The decision to cash limit grants may lead to a reduction in the quality, number or range of services that the recipients of the grants are able to provide to the citizens of Cambridge. This could potentially impact on all vulnerable groups disproportionately as they tend to be the greater users of the types of services provided by the organisations we grant-aid.</p> <p>Vulnerable people, older people and disabled people will be affected to a greater degree by the changes to the Independent Living and Floating Support Services.</p> <p>Older people, disabled people and people on low incomes are less likely to use technology to self-serve. The council will continue to ensure that people have a range of ways to engage with it, including over the phone and face-to-face.</p>

12	Is your strategy, policy, plan, project, service, contract, major change in service or decision likely to exclude or disadvantage equalities groups in the longer term?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Insufficient evidence	<p>If yes, please indicate which groups will be affected and what the impact will be...</p> <p>The substantial bid to fully refurbish the Extra Care Housing at Ditchburn Place would greatly benefit the service users in the longer-term, however in the shorter-term may cause them some distress as the work is completed.</p> <p>Vulnerable people, older people and disabled people could be negatively affected in the longer-term by the changes to the Independent Living and Floating Support Services.</p>

Checking Delivery Arrangements				
13	<p>Please check the delivery arrangements for the strategy, policy, plan, project, service, contract, major change in service or decision against these criteria:</p> <p><i>If you answer no to any of the criteria, please explain why, giving details of any legal justification if there is one.....</i></p>			
	Yes	No	Insufficient evidence	Reason
Are any premises involved accessible to all?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is any ICT software and equipment accessible to all?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is consultation and participation inclusive of all?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are public events and meetings accessible to all?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do public meetings and events avoid conflict with religious events?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is electronic, web based and paper information accessible for all?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are images and text in documents and publicity campaigns representative of all?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Conclusions and Next Steps	
14	The evidence has not identified any disadvantages or negative impacts.
	No further action required. Sign off this form and send to Andrew Limb, Head of Corporate Strategy, Andrew.limb@cambridge.gov.uk who will arrange for it to be published on the Internet and Intranet.
	The evidence indicates that there are no disadvantages or negative impacts that cannot be easily addressed.
	Complete the Action Plan
	It has not been possible to say whether or not there is a disadvantage or negative impact e.g. there is insufficient evidence.
	Go to Question 15
	The evidence indicates potential disadvantages or negative impacts that cannot be easily addressed.
	Complete Action Plan

Gathering additional information	
15	What additional evidence are you going to gather? <i>(Please tick any that apply)</i>
<input type="checkbox"/> Advice from experts <input type="checkbox"/> Demographic profile e.g. Census <input type="checkbox"/> Existing consultation results <input type="checkbox"/> Existing user data <input type="checkbox"/> External verification e.g. expert views of people/organisations representing equality group(s) <input type="checkbox"/> Local needs analysis e.g. Joint Strategic Needs Assessments	<input type="checkbox"/> National best practice information e.g. Audit Commission reports <input type="checkbox"/> New consultation with a specific equality group(s) <input type="checkbox"/> Research reports <input type="checkbox"/> Relevant staff group expertise Other <i>(please state)</i> :

16	If you have any additional comments please add them here.
<p>The document focuses on identifying potential negative impacts and actions that the authority could put in place to mitigate these. As well as the potential negative impacts identified in this document, it should be noted that there are a number of budget bids that would have a positive equality impact, including bids to:</p> <ul style="list-style-type: none"> • provide a greater range of more culturally diverse activity at The Big Weekend. • run a sports development project for young people at risk of exclusion. • provide a Community Development grant fund to support voluntary and community organisations in the city's new communities and to support the integration with neighbouring parts of the city. • employ a Youth Officer for the 13+ age group to support the City Council's own capital investment in facilities and work with colleagues and partners to undertake youth projects. • upgrade facilities at 125 Newmarket Road in partnership with Cambridge Community Services (CCS) NHS Trust to develop and enhance the primary health care service offered to homeless people. • replace obsolete Shopmobility stock and to potentially extend operating hours. • continue to fund the Family Intervention Project within the city for specialist support to vulnerable residents with large families in Council tenancies. • host the Olympic Torch Relay Evening Celebration. <p>More detailed Equality Impact Assessments are produced for new strategies, policies and changes to service delivery, and these are published on the City Council's website.</p>	

Completion		
17.	Name and job title of assessment lead officer:	Chris Williams, Strategy Officer
	Date of completion:	16 December 2011
	Names of other assessment team members and people consulted:	Consulted: Relevant heads of service and service delivery officers
	Date of next review of the EqlA <i>This should be within three years of the date of completion of the original EqlA.</i>	December 2012

ACTION PLAN

Equality Impact Assessment Title: Budget 2012-13
Date: 16 December 2011

Equality Group	1. Age
Details of possible disadvantage or negative impact	<p>a) The reduction in the Supporting People Grant will reduce the capacity of the Independent Living and Floating Support Services to meet the needs of vulnerable people.</p> <p>b) The substantial bid to fully refurbish the Extra Care Housing at Ditchburn Place would greatly benefit the service users in the longer-term, however in the shorter-term may cause them some distress as the work is completed.</p> <p>c) It is proposed to make savings from the Customer Service Centre budget in part by the greater use of technology and encouragement of users to self-serve.</p>
Action to be taken to address the disadvantage or negative impact	<p>a) There are bids for a contribution towards a post in the Independent Living Service to allow community-based support to vulnerable older residents and for the provision of Landlord/Premises and Support Services to Sheltered Housing Tenants. These would benefit the affected groups and help to mitigate the effect of the reduction in the grant.</p> <p>b) Work with the affected residents to ensure that the process is managed smoothly.</p> <p>c) The council will continue to ensure that people have a range of ways to engage with it, including over the phone and face-to-face.</p>
Officer responsible for progressing the action	<p>a) Sally-Jane Williams b) Sally-Jane Williams c) Jonathan James</p>
Date action to be completed by	<p>a) April 2013 b) April 2012 onwards c) April 2012 onwards</p>

Equality Group	2. Disability
Details of possible disadvantage or negative impact	As 1 a-c above
Action to be taken to address the disadvantage or negative impact	As 1 a-c above
Officer responsible for progressing the action	As 1 a-c above
Date action to be completed by	As 1 a-c above

Equality Group	3. Gender/Transgender Inc gender reassignment and Pregnancy and Maternity
Details of possible disadvantage or negative impact	No disadvantage or negative impact identified
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	4. Marriage and Civil Partnership
Details of possible disadvantage or negative impact	No disadvantage or negative impact identified
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	5. Race/ethnicity
Details of possible disadvantage or negative impact	No disadvantage or negative impact identified
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	6. Religion or belief
Details of possible disadvantage or negative impact	No disadvantage or negative impact identified
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	7. Sexual orientation
Details of possible disadvantage or negative impact	No disadvantage or negative impact identified
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	8. All groups
Details of possible disadvantage or negative impact	<p>a) The proposal to cash limit Leisure Grants and Community Development Grants could reduce the capacity of grant recipients to meet the needs of as many vulnerable people as previously.</p> <p>b) The decision to reduce the hours of the Human Resources Diversity Adviser post could reduce the council's capacity for delivering equalities work and supporting staff and managers.</p> <p>c) The decision to reduce funding for Trade Union Branch Secretary posts could affect trade union members.</p>
Action to be taken to address the disadvantage or negative impact	<p>a) Community Development and other grant providers will work with grant recipients to help ensure that grant funding is linked to clear and reasonable objectives and outcomes to maximise the efficient use of resources.</p> <p>b) Equalities work is now well embedded in service departments and less central support is therefore needed. Resources are being provided under a shared services agreement and by other officers of the council. These arrangements should mitigate any potential negative impacts.</p> <p>c) The decision to reduce funding for Trade Union Branch Secretary posts could affect trade union members. Although Branch Secretary capacity will be reduced, it is expected that the trade union shop stewards will become more active in case work and attending meetings if necessary. It is not anticipated that any trade union member will be denied access to a trade union representative or the Branch Secretaries will not be consulted on the issues that they are currently consulted on through the current channels</p>
Officer responsible for progressing the action	<p>a) Trevor Woollams b) Deborah Simpson c) Deborah Simpson</p>
Date action to be completed by	<p>a) April 2012 onwards b) April 2012 onwards c) April 2012 onwards</p>

Other factors that may lead to inequality	9. People on low incomes (suffering fuel poverty)
Details of possible disadvantage or negative impact	The cancellation of the planned Solar PV panel installation on City Council housing properties will mean that tenants do not benefit from the savings this would have achieved.
Action to be taken to address the disadvantage or negative impact	The bid for installation of solar thermal panels and/or energy efficiency measures on housing properties will mitigate the effect to some degree. The bid for funding to increase the uptake of energy efficiency improvements for private sector housing will also contribute to addressing fuel poverty.
Officer responsible for progressing the action	David Kidston
Date action to be completed by	April 2012 onwards

Other factors that may lead to inequality	10. Council tenants
Details of possible disadvantage or negative impact	The bid for funding for two additional caretaker posts across housing estates will be funded through service charges to tenants and leaseholders.
Action to be taken to address the disadvantage or negative impact	A review of building cleaning should result in a reduction in the cost of Communal Cleaning and Premises Service Charges, which will be passed on to tenants and leaseholders in the form of lower service charges.
Officer responsible for progressing the action	Robert Hollingsworth
Date action to be completed by	April 2012 onwards

Name and Job Title of Officer completing the Action Plan: Chris Williams, Strategy Officer.

Department/Service: Corporate Strategy

This plan will next be updated: December 2012

Appendix X

Process for the 2011/12 Budget

Robustness of Estimates and Adequacy of Reserves

Background

Section 25 of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) must report to the authority, when it is making the statutory calculations required to determine its Council Tax or precept, on the following:

- the robustness of the estimates made for the purposes of the calculations, and
- the adequacy of the proposed financial reserves

The majority of the material required to meet the requirements of the Act has been built into the key reports prepared throughout the corporate budget cycle, in particular :

- The Medium Term Strategy (MTS) [September 2011]
- The Revised Budgets, as part of the January cycle of meetings
- The main budget reports to the January cycle of meetings
- The Budget-Setting Report (BSR) to Strategy and Resources Scrutiny Committee on 16 January 2012, which forms the basis for the subsequent decisions by the Executive (19 January 2012), Strategy and Resources Scrutiny Committee (3 February 2012) and Council (23 February 2012).

This reflects the fact that the requirements of the Act incorporate issues which the Council has, for many years, adopted as key principles in its financial strategy and planning; and which have therefore been incorporated in the key elements of the corporate decision-making cycle.

This also reflects the work in terms of risk assessment, and management, which is built into all of the key aspects of the Council's work, together with the sensitivity analysis for key activity areas and the analysis of significant events.

This approach governs the work that is undertaken in developing spending plans and financial strategies for both the General Fund and Housing Revenue Account.

The integration of the Council's risk framework with the main corporate planning and decision-making cycle, is based on the identification of key stages during the year designed to match the major documents which underpin the cycle.

It is also important to note that these considerations are assessed by the Council within a medium and longer-term framework, which is ensured through supporting financial modeling conducted over :

For the ...	Period	Purpose / Use
MTS & budget	5 years	Detailed budget & Council Tax setting
Longer-term projections	25+ years	Demonstrate long-term effects & thus sustainability

The new Business Plan, which has been developed to support the introduction of Self-Financing of the HRA from 1 April 2012, covers a period of 30 years.

This is of particular importance during a period of economic volatility.

Figures are generally shown within reports covering the 5-year medium-term forecast period, with any significant longer-term implications specifically highlighted.

Robustness of Estimates

Approach

Each year, as part of the development of the budget, analysis is undertaken of the key financial assumptions on which the budget will be based. An overview of this work is included in the MTS and the BSR.

The key areas covered included :

- Economic factors, such as inflation
- Treasury Management, including interest rates
- Demographic pressures on spending
- Other spending pressures & opportunities (revenue and capital)
- External funding sources
- Earmarked Funds
- Asset Management
- Reserves

Government Grant

The aspect of the General Fund which has, for a number of years, required the greatest attention during the annual budget process has been government grant support.

Formula Grant

Details of the final Local Government Settlement for 2011/12, together with provisional settlement figures for 2012/13, were announced on 31 January 2011. This announcement was used for the purposes of financial modelling for the September 2011 MTS. Although it had been expected that a 4-year settlement would be announced in conjunction with spending review 2010, details of the final two years (2013/14 and 2014/15) were deferred until the completion of the government's Local Government Resource Review.

Given that the position in terms of future years is still unclear, a key decision for the Council has been what objective basis is available to use for such

projections. The best basis for this purpose appears to be contained within Spending Review 2010.

The real terms reduction in local authority core funding from CLG, which is contained within the Review control totals, reflects around 73% of the total reduction for the 4-year period being made over the first 2 years. The announced reduction in the City's confirmed Formula Grant over the 2 years to 2012/13 would represent a broadly similar percentage of the total reduction assumed in the September 2010 MTS. The BSR has, therefore, continued to use the MTS assumption on the final overall level of Formula Grant reduction to 2014/15 (i.e. a reduction of around 31% to £7,571,019) as the most appropriate basis for projections at this stage.

As the Settlement announcement only provides figures for the first 2 of these years it is difficult to be clear whether it represents a high degree of front-loading but with the final level in 2014/15 still close to the assumption, or an indication of a far higher level of overall reduction. This is a critical factor for effective future financial planning.

For the City Council, the only changes from the provisional Formula Grant figure first announced in January 2011 are that the breakdown of Formula Grant between Revenue Support Grant and redistributed Business Rates has now been provided and that Council Tax Freeze Compensation (for 2011/12) has now been rolled up into Formula Grant rather than being paid as a separate grant.

The following table shows the Council's provisional grant for 2012/13 compared with that for 2011/12:

Formula Grant	2011/12	2012/13
Prior year adjusted base (i.e. after adjustments including transfer of Concessionary Fares responsibility)	£10,961,863	£9,472,251
Formula Grant entitlement		
Revenue Support Grant	£2,246,689	£163,516
Share of Business Rates	£7,268,417	£8,435,295
Total Formula Grant	£9,515,105	£8,598,811

Formula Grant	2011/12	2012/13
Council Tax Freeze Grant	169,647	Included above
Total Formula Grant + Council Tax Freeze Grant	£9,684,752	£8,598,811
Reduction (year-on-year excluding Council Tax Freeze Grant)	(13.20%)	(11.41%)
Reduction from 2010/11 adjusted base		(23.10%)

It is anticipated that the announcement of the outcome of the Local Government Resource Review will see the ending of the current Formula Grant system and its replacement with a scheme based on the re-localisation of Business Rates, with effect from 2013/14. On the evidence of the initial consultation on the proposed new scheme, the effect is likely to be a starting point based on current entitlement to support under the Formula Grant process.

Whilst the scheme is projected to include retention of a proportion of the local growth in Business Rates it is not anticipated that this will produce significant amounts of additional income for the Council, at least in the first two years - which are covered by the existing spending review.

The potential for further significant changes to the grant distribution system as part of the forthcoming fundamental review constitutes a material risk for the Council from 2013/14 onward, and this has been reflected in the approach to Reserves.

Other Government Grants

In addition to Formula Grant the Council still receives a number of other revenue grants from central government although these are reduced in number following incorporation of a number of them into Formula Grant. In addition, government has removed ringfencing from the majority of grants. In terms of financial projections, the most significant of these other grants is New Homes Bonus.

New Homes Bonus

The New Homes Bonus (NHB) scheme, introduced from 1 April 2011, was designed to encourage and reward local authorities for the delivery of new homes and the reduction of the number of empty homes in their areas. The NHB is designed so that provision of additional housing in a particular year is recognised through the award of additional funding for a period of six consecutive years, starting in the following year. Entitlement is based on the actual numbers of housing completions and empty homes brought back into use together with an affordable housing component.

NHB for 2011/12, determined on 4 April 2011, was £786,646 which under the scheme should be paid for a period of six years. This funding is being used to secure the employment of the team of professionals needed to ensure that the new communities that are being created to the south and north-west of the city will be successful and located within attractive places to live.

The provisional allocation for 2012/13 of £734,898 was announced on 1 December 2011 based on data obtained from local authority Council Tax Base forms together with DCLG official statistics on additional affordable housing supply.

Forward projections of NHB are based on estimated housing completions and are, therefore, dependent on achieving the projected growth rates each year. Nationally, funding for the NHB scheme has only been explicitly provided for the period of the Spending Review, i.e. to 2014/15. However, it remains unclear as to the implications for local authorities resulting from the funding of NHB after 2012/13. There have been indications that funding for the scheme for future years may be achieved through top-slicing of Formula Grant.

Forward estimates of NHB entitlement, updated since the MTS to reflect the latest housing growth projections, are set out in the following table:

NHB	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
2011/12 allocation	(786,646)	(786,646)	(786,646)	(786,646)	(786,646)	(786,646)	
2012/13 provisional allocation		(734,898)	(734,898)	(734,898)	(734,898)	(734,898)	(734,898)
New Homes Bonus Total	(786,646)	(1,521,544)	(1,521,544)	(1,521,544)	(1,521,544)	(1,521,544)	(734,898)
Funding of Fixed Term Growth Posts	818,380	818,380	818,380	818,380	818,380	818,380	818,380
Balance after Funding for Growth-related Posts	31,734	(703,164)	(703,164)	(703,164)	(703,164)	(703,164)	83,482
Projection of Future NHB entitlement			(814,000)	(1,934,600)	(1,934,600)	(1,934,600)	(1,934,600)
Potential net NHB funding available	31,734	(703,164)	(1,517,164)	(2,637,764)	(2,637,764)	(2,637,764)	(1,851,118)

At MTS stage, it was considered reasonable to assume that the remaining balance in 2012/13 would not be offset by a reduction in Formula Grant (through a national top-slicing adjustment) as the Government has already announced the level of Formula Grant for that year. On that basis, it was agreed that the Council would consider what one-off costs / projects could be funded using this money as part of the budget setting process this year. As part of the BSR projections the net funding available in 2012/13 (£703,164) has been used to support capital spending.

However, in light of the scale of the additional funding projected to be available in future years, and the concern as to the degree to which this may be offset by top-slicing of the Council's Formula Grant, it was proposed and agreed that the additional funding be earmarked (rather than added to general reserves) with a view to considering appropriate application at a later date. This is considered to be a suitably prudent approach at this stage.

When its 2013/14 funding basis is clear the council will be in a position to confirm the degree to which the future years' of New Homes Bonus are

needed to support investment plans that are already in place, or whether it will be available for new projects as is hoped.

Council Tax Thresholds

2012/13 sees the introduction of Council Tax referendum thresholds, such that increases proposed above this level are subject to the outcome of a public referendum. This introduces the risk that if the referendum does not demonstrate public support the level of Council Tax increase and associated spending plans would need to be revised.

Alongside the Settlement announcement, Council Tax referendum thresholds for 2012/13 were announced. These have been set at 3.5% for single tier, county councils and shire districts, at 4% for police, fire authorities and the GLA and at 3.5% for the City of London. These thresholds are all 1% above the figures for which the new one-year freeze grant for 2012/13 will be paid.

The Council's plans for Council Tax setting for 2012/13 are based on a freeze at the level set for 2011/12, therefore there is no risk associated with the requirement for a referendum.

Spending Reviews

The adoption by Governments in recent years of a process of periodic Spending Reviews has provided key contextual information to support the forward financial planning process.

These Reviews have previously provided indications of support through Formula Grant covering a 3-year period, however Spending Review 2010 incorporated indications covering a 4-year period, designed to coincide with the planned life of the Parliament. This was expected to confer improvements in financial information available to the Council, which would serve to further reduce the level of residual risk associated with the key question of the level of support from Government.

However, the announcement of the Local Government Finance Settlement reflected a change through the inclusion of just two years of figures for Formula Grant. This appears to reflect the Government's intention to complete a fundamental review of financing for local government, with the intention of using this to determine the Formula Grant levels in 2013/14 and 2014/15.

In the current economic climate the prospects for the next Spending Review period do not look positive for local authority funding. There must be an expectation of the continuation of a tight financial position with increasing pressures in terms of efficiency expectations.

Future projections for grant beyond 2014/15 have, therefore, been based on a cash standstill position for Formula Grant / relocalised Business Rates.

Control Totals Within the Budget Process

The budget process specifically identifies and controls the requirements for the delivery of savings from all areas of spending, managed through a process of Cash Limits. The Cash Limit process allows the inclusion of (specifically identified, and justified) unavoidable bids, and bids where the additional funding requirement can be met through additional compensating savings.

Further bids for service development are determined centrally by the Executive, and prioritised against the requirements in delivering the Council's Vision Statements. This includes the specific test of affordability and sustainability of the overall level of funding for this Priority Policy Fund (PPF), which is clearly shown within the final decision-making framework adopted in the BSR.

The level of funding which is deemed affordable within the initial MTS projections (in this case in September 2011) is reviewed in light of updated information in the final Budget-Setting Report to Strategy Scrutiny Committee in the January cycle of meetings.

The September 2011 MTS identified a target level of ongoing funding for PPF Bids for 2012/13 of £500k. The review of affordability undertaken as part of the February 2011 BSR concluded that this level of provision could still be supported.

However, the bids for PPF funding received totalled just £378,620 in 2012/13, with ongoing effects falling to £179,720 p.a. from 2015/16). The relatively modest level of bids may well reflect awareness of the need for restraint in the current financial climate and the relative value of additional bids when compared to the further savings that would need to be identified. This suggests that whilst this mechanism continues to provide an important means of moving resources to the areas of greatest need, it also retains the flexibility to reflect the Council's overall financial position.

Financial projections for future years are based on the inclusion a provision of £500k per annum from 2013/14 onward, demonstrating the ongoing viability of this approach.

Capital Spending and Controls

Approval of new capital spending is dependent on the identification of the appropriate levels of revenue and capital funding, thus demonstrating its affordability. If this cannot be achieved, the schemes may be approved in principle and added to the Council's capital Hold List until such time as the funding is identified and approved.

The September 2011 MTS identified the need to identify the potential for additional funding for capital spending, in light of a number of identified potential pressures; including refurbishment works to Park Street Car Park (from the Hold List).

The February 2012 BSR has been based around the principle that any additional one-off funding available should be used to support future capital spending requirements, whilst ongoing funding would be used to reduce future net savings requirements.

This has resulted in £1.438m of additional capital funding being identified as affordable, such that all of the capital bids raised as part of the 2012/13 budget process could be supported together with provision for the projected costs of the Park Street Car Park refurbishment works.

This still provides uncommitted funding for further capital spending over the 5-year projection period, as follows:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Revised Capital funding availability	(160)	(2,252)	(1,168)	(2,047)	(1,062)
Capital bids	(224)	1,399	2,083	1,883	200
(Surplus) / Shortfall in Funding	(384)	(853)	915	(164)	(862)
Cumulative cashflow effect		(1,237)	(322)	(486)	(1,348)

The existing test of affordability for capital spending was reinforced by the introduction of the Prudential Code, with effect from 1 April 2004. The indicators identified as part of the Code have been included with the final budget reports, and have been taken into account in arriving at the final recommendations on the Capital Plan.

The BSR specifically considers the potential need for future prudential borrowing. This has identified requirements for Housing Revenue Account borrowing associated with the introduction of the new Self-Financing regime, together with projected refurbishment works at Ditchburn Place. It also identifies the potential requirement to borrow to support the provision of multi-agency community facilities as part of the Clay Farm Development.

The Council continues to require annual revenue contributions to Repair and Renewal Funds to ensure the sustainability of all major assets, and has implemented medium-term replacement programmes for key asset areas.

Capital spending during the year is monitored on a monthly basis by the Asset Management Group, and on a quarterly basis by the Strategic Leadership Team; based on a consistent financial monitoring and reporting framework.

This ensures that current performance is effectively challenged, and the need for any remedial measures identified at the earliest opportunity.

Close monitoring of performance on current year budget heads has been maintained throughout the 2011/12 budget process, to ensure a robust basis for projections in future year estimates. This has been of particular importance given the highly volatile position of the economy over the period in question.

Financial Reserves

Reserves are established and maintained in line with the Code of Practice on Local Authority Accounting, and are reviewed annually by the Council's External Auditors taking into account their knowledge of the Council's performance over a period of time.

There are two main categories of reserves to be considered :

- Earmarked reserves
- Unallocated general reserves.

Earmarked reserves

Earmarked reserves are those which the Council builds up over a period of time to fund known or predicted liabilities.

Specific examples include :

- Repair & Renewal Funds - individual Funds have been established to cover key items of vehicle and plant, in line with the Council's policy of ensuring sustainability of services. New Funds, or contribution requirements, are assessed as part of any new project appraisal

- Developer Contributions – negotiated under Section 106 of the Town and Country Planning Act 1990, to offset the costs associated with new developments, for example community infrastructure
- Funds set up to meet material costs which occur regularly, but over a longer period than annually, where it is deemed prudent to make contributions every financial year, e.g. Local Plan
- Insurance Fund - which underpins the Council's policy and practice on self-insurance, and reflects the analysis of potential and contingent claims over time.

The Council reviews each of the Funds during each year to ensure that the levels, and the ongoing contributions, are appropriate to achieve the purpose for which it was set-up. A further review is completed as part of the final accounts process, at year-end, in conjunction with the review work of external audit.

Earmarked Funds are reviewed as part of the General Fund Resources section in the BSR (Section 3 in the February 2012 BSR), together with proposed spending against a number of the main funds. This ensures an appropriate context for wider spending decisions and prioritisation.

Unallocated general reserves

As part of its financial strategy the Council has determined two levels by which the appropriateness of the general reserve for the General Fund will be assessed:

- Minimum Level - set at £1.5m (approximately 10% of the net expenditure level), to deal with timing issues and uneven cashflows and avoid unnecessary temporary borrowing
- Target Level - set at £5m, reflecting the level which provides the target over the longer-term.

A similar approach has been adopted in respect of the Housing Revenue Account (HRA), which has identified :

- Minimum Level - set at £1m (approximately 2 weeks of rental income), to deal with timing issues and uneven cashflows and avoid unnecessary temporary borrowing
- Target Level - set at £3m, reflecting the level which provides the target over the longer-term.

The key elements which are considered in setting the target level have been :

- The potential need to 'cushion' the impact of an unexpected events or emergencies (above the levels supported directly by the government, under the 'Bellwin' scheme).
- The need to deal with major incidences of uneven funding associated with schemes or initiatives. Previous examples include the initial investment requirements associated with projects such as the implementation of the outcomes of the Council's Customer Access Strategy.
- The level of risk / uncertainty associated with the budget and financial strategy, particularly the continuing uncertainty over grant entitlement and the effects of the current economic recession.

Where temporary use of reserves is approved to meet timing issues, the decision will be based on a specific payback period and this will be explicitly shown in the Reserves Projections (shown in MTS and BSR documents) so that anticipated movements on the level of reserves are clear.

Current spending plans include temporary use of reserves relating to :

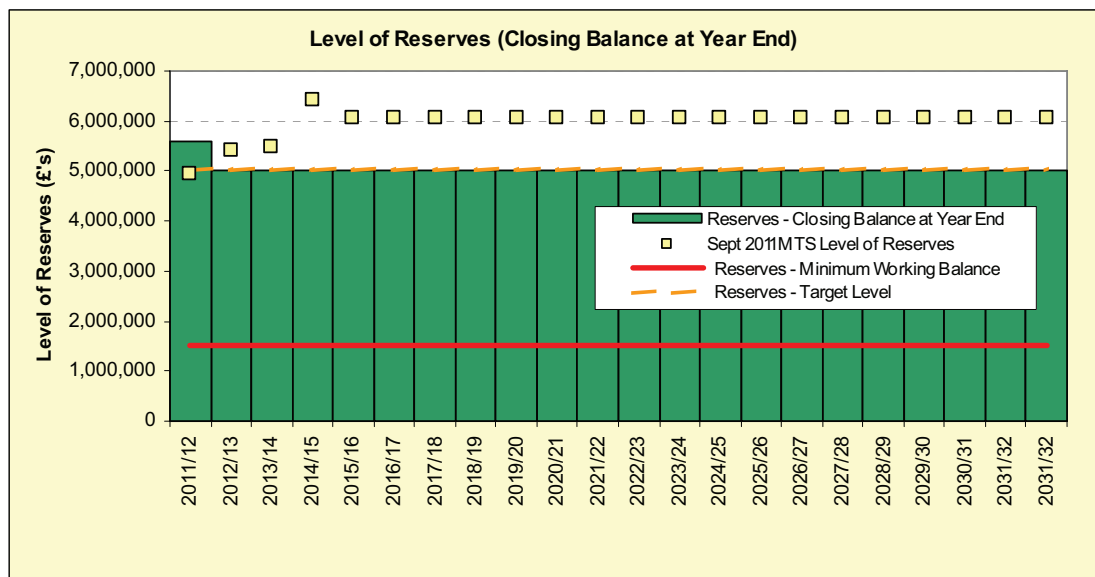
- the initial set-up costs associated with the implementation of the new Customer Access Strategy (SC335 – SC339) – due to be repaid by 2014/15
- the initial capital costs associated with the Guildhall Working Party scheme (SC342) – due to be repaid by 2017/18

- the set-up costs of the new Memorial Choice scheme (SC351) – due to be repaid by 2017/18

It should be noted that all of these items will generate net revenue savings in the years following repayment of the temporary use of reserves. The maintenance of sufficient reserves to be able to pump-prime such 'Invest-to-Save' schemes in the future is part of the Council's approach to being confident in meeting the significant net savings targets identified through to 2014/15.

The September 2011 MTS noted that the level of Reserves was above the Target level, and that the BSR should include consideration of the appropriate use of the additional funds.

The 25-year financial modelling in the BSR has included plans for the planned use of funds above the Target level, such that Reserves will be brought down to a level of £5m by the end of 20123/13 and that this level can be maintained. This shown graphically below :



The reserves projections are based on the expectation that the Council will be able to achieve the 'Net Savings Requirements' identified in each of the financial years from 2011/12 onward.

Risk Management

The Council has a long-established commitment to risk management, as a key element of effective internal control. This includes the operation of a corporate risk database, which forms the basis for the Risk and Assurance Framework which, in turn, informs the Annual Governance Statement and Head of Internal Audit Opinion documents as part of each Statements of Accounts. The database also informs the strategic internal audit plan, ensuring that all cross-cutting, project and service issues are effectively prioritised for coverage.

As part of the budget process, areas of uncertainty are identified in the summer / autumn each year as part of the MTS, and are then reviewed and updated throughout the process to identify the level of residual risk at the point of budget-setting.

The main issues which remain outstanding at the point of budget-setting this year are detailed in Section 8 of the BSR.

In addition, an assessment of the key areas of financial risk to the Council has been undertaken and the results are included in Appendix U, in the form of a sensitivity analysis. This is a particularly important consideration for the current budget process, in light of the continuing volatility within the projections for the economy and changes in funding.

This analysis is supplemented by a review of the timing and nature of 'Significant Events' over the MTS period, which has been detailed in Appendix V of the BSR.

A further review of these areas, and the others still unresolved, will take place as part of the next (2012) MTS.

The Council's financial strategy also supports the provision of funding for known commitments, which commence beyond the specific budget year, as part of the prudence and sustainability concept.

Period Budgeting

Part of the Council's established financial strategy is to ensure that funding for future spending is not dependent on the use of reserves, so as to demonstrate long-term sustainability. This has been demonstrated in the setting of the 2012/13 Budget.

The key aim of the September 2011 MTS was to establish a position where a savings level for the period of the 2010 Spending Review (i.e. to 2014/15) could be identified that would allow the future level of savings to be reduced to a more manageable level.

The outcome was a savings target of £4.213m over the 3-year period to 2014/15, based on the profile of £1.242k in 2012/13, £1.288m in 2013/14, and £1.683m in 2014/15. These represented minimum levels for each year in order to meet the overall financial projections and strategy.

The BSR has confirmed that not only has the target of £1.242k in 2012/13 been achieved on an ongoing basis, but that it has been exceeded from 2013/14 onward allowing future year net savings requirements to be reduced.

The contribution of Service Reviews to the overall level of savings has been significant (ranging from 62.1% in 2012/13 to 68.3% in 2015/16).

This serves to confirm the significant role of the Service Review process, and the robustness of the projections included in the September 2011 MTS. This is particularly important as Service Reviews, will undoubtedly be a critical part of the Council's future savings strategy.

The effect of the overall performance on the 2012/13 Budget, results in the following recalculation of remaining net savings requirements in future years :

Net Savings Requirements	2013/14 £	2014/15 £	2015/16 £
Net Savings Requirement (per Sept 2011 MTS)	1,287,860	1,683,310	950,000
<i>Adjusted for:</i>			
Adjustment resulting from position against 2012/13 Cash Limit	(65,890)	(76,900)	(10,000)
Sub totals	1,221,970	1,606,410	940,000
Reduced to reflect unapplied 2012/13 PPF funding provision in:			
- 2013/14	(199,880)		
- 2014/15		(104,400)	
- 2015/16			(16,000)
Sub totals	1,022,090	1,502,010	924,000
Increase required to offset net Non-Cash Limit items	380,000	50,000	0
Sub totals	1,402,090	1,552,010	924,000
Increase required to offset effect of 2012/13 Council Tax freeze	103,230	(36,750)	(36,650)
Revised Net Savings Requirement	1,505,320	1,515,260	887,350

This demonstrates the success in adopting a period-budgeting approach in recent years, and this focus on medium-term budgeting will be further developed and emphasized as part of the Council's budget processes.

This has enabled the net savings requirements to be revised downward, reflecting earlier achievement against the profile of savings targeted in the September 2011 MTS

The Council is now seeking to build on this approach, and to outline the approach to meeting the net savings requirements for the remaining two years of the target period.

Future Savings Strategy

The Council is planning for a significant "step change" in its budget profile through to 2014/15. The budget and service delivery plans for 2012/13 represent a continuation of the process to deliver that change.

Future work is expected to include further exploration of shared service opportunities, review of Council assets, and continued investigation of opportunities that may be available through the projects which arose from the "Making Cambridgeshire Count" initiative.

A key element of both the MTS and BSR is consideration of the achievability of the reductions in net spending which are required to produce a balanced budget. As noted above, a key element in this analysis has been the robustness and outcomes delivered through the Council's Service Review process. This has demonstrated a strong track-record in delivering targeted reductions in the last few years.

The Council's budget includes provision, through the Efficiency Fund, of funding to enable service transformation to be undertaken. In 2011/12 £475k is available, with a further £200k in 2012/13. This provides greater assurance that the resources will be available to undertake the work needed to achieve the savings targets set.

This contributes to the confidence that the targeted levels of net spending reductions for future years can be met, and that suitable monitoring processes exist to highlight any variations in the actual timing or level of planned savings in practice so that remedial actions can be implemented.

External Assessment

The Council has been subject to external assessment through the annual audit of financial procedures and accounts, as well as under the national Comprehensive Performance Assessment process. This was replaced by Comprehensive Area Assessments (CAA) from 2009.

An overview of the relevant assessments is shown in Annex 1.

The Audit Commission's Use of Resources (UoR) assessment considered how well organisations managed and used their resources to deliver value for money and better and sustainable outcomes for local people.

The assessment formed part of the Comprehensive Area Assessment (CAA) framework and was carried out yearly by appointed auditors as part of the external audit at local authorities; fire and rescue authorities; police authorities; and primary care trusts.

In May 2010, the Government announced CAA was to be abolished. In response, the Commission directed auditors to cease all use of resources assessment work. The last set of scored assessments for UoR were for 2008/09, and these are shown in the attached Annex as context.

The City Council was assessed at level 3 overall, which is defined as 'Exceeds minimum requirements – performing well'. In presenting the assessment report to Civic Affairs committee on 18 November 2009, the Council's External Auditors noted that "A rating of three places the authority in the top quartile of District Councils nationally with very few, possibly only one, achieving a 4" (Minute 09/0Civ/44).

Conclusion

The 2012/13 budget process has resulted in recommendations for spending and tax-setting which are broadly in line with the original objectives set in the MTS in September 2011. This has involved the identification of tangible measures to effectively address the implications of the significant pressures on the Council's budgets which have been identified as part of the process.

Integral to the process has been the testing of assumptions and associated risks underlying the financial projections, which have been determined in line with the adopted principles of prudence, affordability and sustainability.

The medium and longer-term projections, and plans, have also confirmed that the spending plans proposed can be funded; whilst reserves are kept in line with the agreed target levels.

Together, this demonstrates the robust nature of the work on which the Council's spending plans are based, and that the plans and associated reserves projections represent a prudent and sustainable position.

This report is based on the budget proposals contained within the BSR, which are being recommended by the Executive to Council on 23 February 2012.

David Horspool

Director of Resources

External Assessments

The following external assessments provide a measure of context for the Council's financial processes and performance.

Comprehensive Performance Assessment (CPA)

As part of the CPA work undertaken by Inspectors, the Council's external auditors (PricewaterhouseCoopers) completed a scored review of five areas relating to the statutory code of audit practice in 2004.

The scores given were:

Area for auditor judgment	Grade	Issues included in this area
Financial standing	4	Setting a balanced budget Setting a capital programme Financial monitoring and reporting Meeting financial targets Financial reserves
Systems of internal financial control	3	Monitoring of financial systems An adequate internal audit function is maintained Risk identification and management
Standards of financial conduct and the prevention and detection of fraud and corruption	3	Ethical framework Governance arrangements Treasury management Prevention and detection of fraud and corruption
Financial statements	3	Timeliness Quality Supporting records
Legality of significant financial transactions	4	Roles and responsibilities Consideration of legality of significant Financial transactions New legislation

These scores represent a judgment of the Council's performance on scale of 1 to 4, with 4 being the highest score.

This identifies strong performance in the areas relating to this judgment, particularly the issues under the first area of judgment; which received a maximum score of 4.

Use of Resources

Use of Resources (UoR) is an Audit Commission assessment of how well Councils manage their financial resources. It looks at how financial management is integrated with strategy and corporate management, supports council priorities and delivers value for money.

Use of resources work is carried out, annually, at all councils as part of the external audit by appointed auditors, and results in a judgement for each of five themes.

The auditor's judgement is based on a scale of 1 to 4 (highest) which determines how well a council is performing against minimum standards, set at level 2 performance. The overall use of resources score is calculated by the Commission using a set of rules for combining the auditor judgements for each of the five themes.

The initial UoR framework ran from 2005 to 2008, and details of the Council's Use of Resources assessments are shown below:

Theme	Assessment (1 to 4)			
	2005	2006	2007	2008
Financial reporting	3	4	4	4
Financial management	4	4	4	4
Financial standing	4	4	4	3
Internal control	2	3	3	3
Value for Money	3	3	3	3
Overall	3	4	4	4

The Use of Resources (UoR) assessment for 2008/09 was very different to the previous UoR assessment. While a number of similar areas were assessed under both frameworks, the focus of the new approach changed significantly and the new approach was intended to represent a more rigorous test.

In order to achieve the higher scores (i.e. 3 or 4), organizations now have to clearly demonstrate that not only do they have efficient and effective processes in place, but that these processes can be shown to be delivering tangible outcomes in terms of performance improvements or delivery of efficiencies that are aligned to the organisation's strategic objectives.

The Council's UoR theme scores are shown in the table below :

Theme	Assessment (1 to 4)
	2008/09
Managing finances	3
Governing the business	3

Theme	Assessment (1 to 4)
	2008/09
Managing resources	2
Overall	3

In the assessment report the auditors noted that the Council "... continues to demonstrate strong medium term, planning and budgeting" and that it "... Engages well with stakeholders and continues to monitor spending closely and effectively". It goes on to note that "The Council maintains an appropriate risk register which is linked to strategic objectives and can demonstrate a positive risk culture ...", and that it "... Maintains an adequate system of internal control and has an effective audit function".

The City Council was assessed at level 3 overall, which is defined as 'Exceeds minimum requirements – performing well'. In presenting the assessment report to Civic Affairs committee on 18 November 2009, the Council's External Auditors noted that " A rating of three places the authority in the top quartile of District Councils nationally with very few, possibly only one, achieving a 4" (Minute 09/0Civ/44).

This demonstrates the consistently high levels of performance achieved by the Council under this assessment, both in isolation and in comparison with other authorities.

Appendix Z

Results of Public Consultation

Citizens Survey by BMG Research Ltd ©

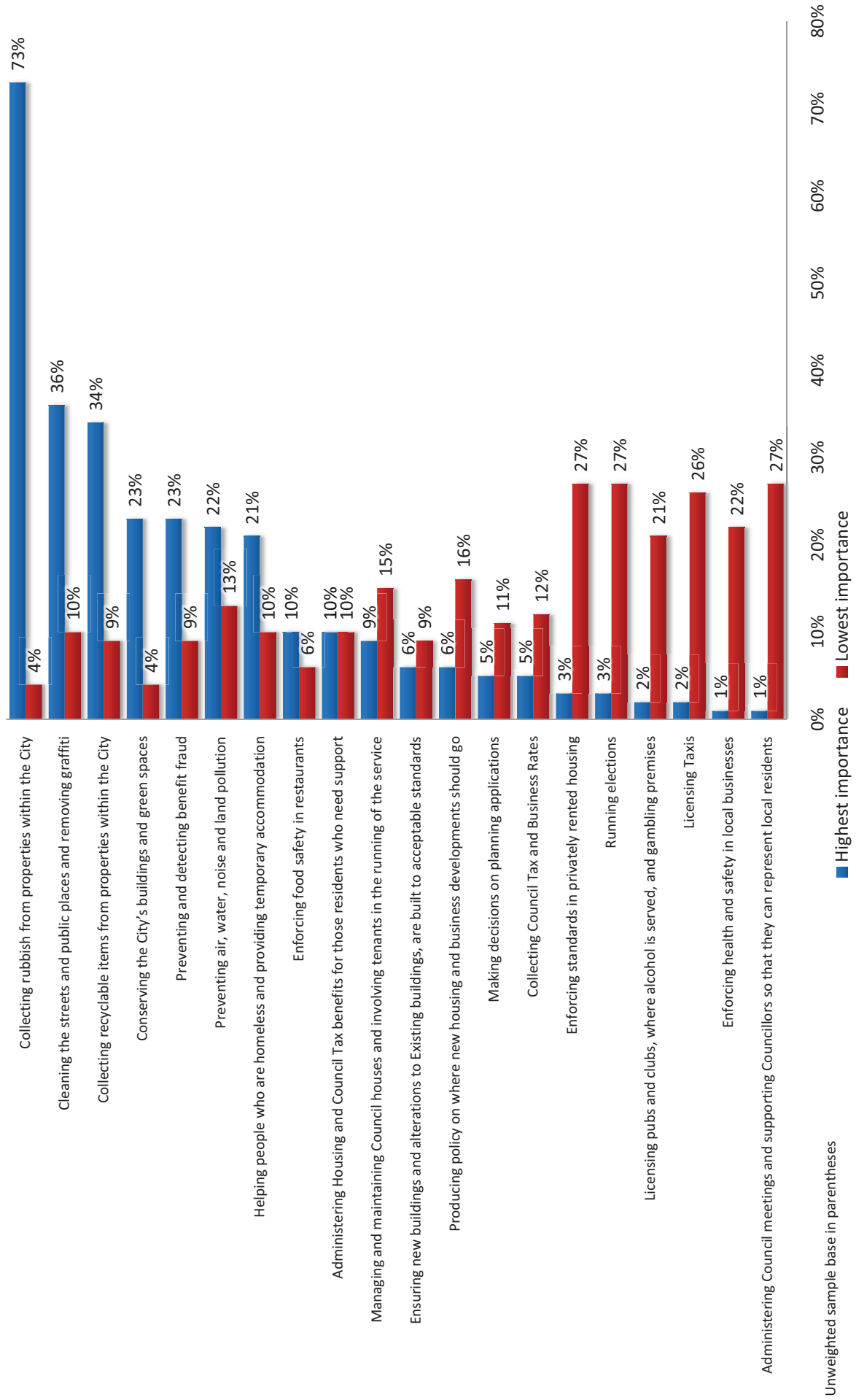
Q.1a Please select three services that are very important and that should be provided to the highest possible standard.

Q.1b And please select three services that are less important and that could be provided at a lower standard to save money

	2009		2011	
	Highest importance	Lowest importance	Highest importance	Lowest importance
Collecting rubbish from properties within the City	68%	3%	73%	4%
Cleaning the streets and public places and removing graffiti	38%	7%	36%	10%
Collecting recyclable items from properties within the City	41%	9%	34%	9%
Conserving the City's buildings and green spaces	29%	7%	23%	4%
Preventing and detecting benefit fraud	19%	15%	23%	9%
Preventing air, water, noise and land pollution	29%	7%	22%	13%
Helping people who are homeless and providing temporary accommodation	23%	13%	21%	10%
Enforcing food safety in restaurants	11%	7%	10%	6%
Administering Housing and Council Tax benefits for those residents who need support	11%	8%	10%	10%
Managing and maintaining Council houses and involving tenants in the running of the service	15%	15%	9%	15%
Ensuring new buildings and alterations to Existing buildings, are built to acceptable standards	11%	9%	6%	9%
Producing policy on where new housing and business developments should go	10%	17%	6%	16%
Making decisions on planning applications	8%	11%	5%	11%
Collecting Council Tax and Business Rates	9%	15%	5%	12%
Enforcing standards in privately rented housing	8%	30%	3%	27%
Running elections	5%	25%	3%	27%
Licensing pubs and clubs, where alcohol is served, and gambling premises	5%	22%	2%	21%
Licensing Taxis	3%	30%	2%	26%
Enforcing health and safety in local businesses	7%	25%	1%	22%
Administering Council meetings and supporting Councillors so that they can represent local residents	4%	27%	1%	27%

* Highlighted cells indicate a +/-5% change since 2009

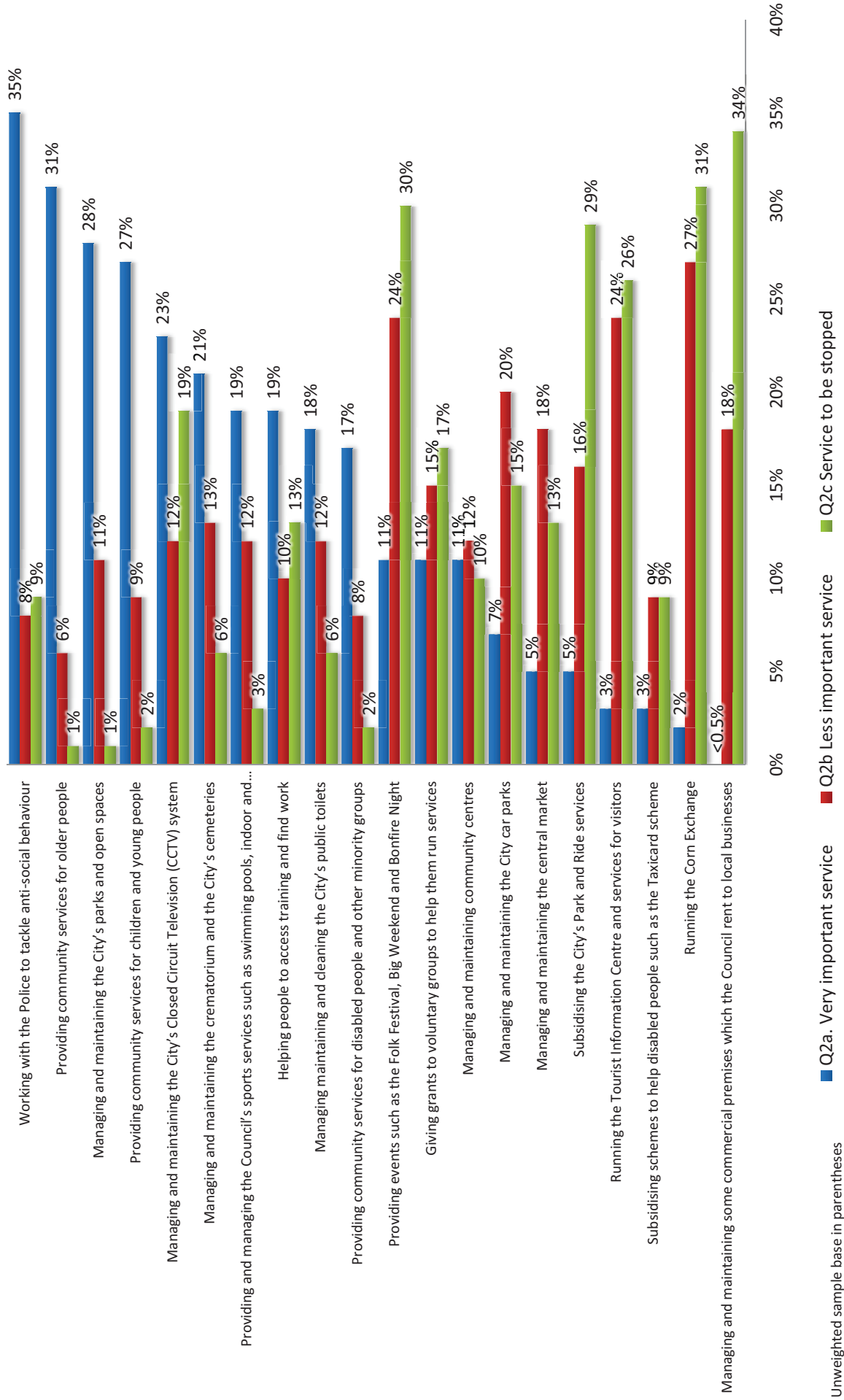
Importance of Services that Cambridge City Council has to provide (2011)



Q2a Please select three services that are very important and that should be provided to the highest possible standard
 Q2b And please select three services that are less important and that could be provided at a lower standard to save money
 Q2c And please select three services that could be stopped altogether if savings have to be found

	Q2a. Very important service	Q2b Less important service	Q2c Service to be stopped
Working with the Police to tackle anti-social behaviour	35%	8%	9%
Providing community services for older people	31%	6%	1%
Managing and maintaining the City's parks and open spaces	28%	11%	1%
Providing community services for children and young people	27%	9%	2%
Managing and maintaining the City's Closed Circuit Television (CCTV) system	23%	12%	19%
Managing and maintaining the crematorium and the City's cemeteries	21%	13%	6%
Providing and managing the Council's sports services such as swimming pools, indoor and outdoor sports facilities, and sports classes	19%	12%	3%
Helping people to access training and find work	19%	10%	13%
Managing maintaining and cleaning the City's public toilets	18%	12%	6%
Providing community services for disabled people and other minority groups	17%	8%	2%
Providing events such as the Folk Festival, Big Weekend and Bonfire Night	11%	24%	30%
Giving grants to voluntary groups to help them run services	11%	15%	17%
Managing and maintaining community centres	11%	12%	10%
Managing and maintaining the City car parks	7%	20%	15%
Managing and maintaining the central market	5%	18%	13%
Subsidising the City's Park and Ride services	5%	16%	29%
Running the Tourist Information Centre and services for visitors	3%	24%	26%
Subsidising schemes to help disabled people such as the Taxicard scheme	3%	9%	9%
Running the Corn Exchange	2%	27%	31%
Managing and maintaining some commercial premises which the Council rent to local businesses	<0.5%	18%	34%

Importance of the services Cambridge City Council does *not* have to provide (2011)



Unweighted sample base in parentheses

Q2a Please select three services that are very important and that should be provided to the highest possible standard

	2009	2011
Working with the Police to tackle anti-social behaviour	41%	35%
Providing community services for older people	25%	31%
Managing and maintaining the City's parks and open spaces	26%	28%
Providing community services for children and young people	26%	27%
Managing and maintaining the City's Closed Circuit Television (CCTV) system	25%	23%
Managing and maintaining the crematorium and the City's cemeteries	20%	21%
Providing and managing the Council's sports services such as swimming pools, indoor and outdoor sports facilities, and sports classes	24%	19%
Helping people to access training and find work	19%	19%
Managing maintaining and cleaning the City's public toilets	18%	18%
Providing community services for disabled people and other minority groups	17%	17%
Providing events such as the Folk Festival, Big Weekend and Bonfire Night	17%	11%
Giving grants to voluntary groups to help them run services	14%	11%
Managing and maintaining community centres	17%	11%
Managing and maintaining the City car parks	9%	7%
Managing and maintaining the central market	9%	5%
Subsidising the City's Park and Ride services	15%	5%
Running the Tourist Information Centre and services for visitors	6%	3%
Subsidising schemes to help disabled people such as the Taxicard scheme	6%	3%
Running the Corn Exchange	4%	2%
Managing and maintaining some commercial premises which the Council rent to local businesses	2%	<0.5%

* Highlighted cells indicate a +/-5% change since 2009

Q2b And please select three services that are less important and that could be provided at a lower standard to save money

	2009	2011
Running the Corn Exchange	26%	27%
Providing events such as the Folk Festival, Big Weekend and Bonfire Night	26%	24%
Running the Tourist Information Centre and services for visitors	25%	24%
Managing and maintaining the City car parks	27%	20%
Managing and maintaining the central market	20%	18%
Managing and maintaining some commercial premises which the Council rent to local businesses	20%	18%
Subsidising the City's Park and Ride services	20%	16%
Giving grants to voluntary groups to help them run services	16%	15%
Managing and maintaining the crematorium and the City's cemeteries	16%	13%
Managing and maintaining the City's Closed Circuit Television (CCTV) system	17%	12%
Providing and managing the Council's sports services such as swimming pools, indoor and outdoor sports facilities, and sports classes	15%	12%
Managing maintaining and cleaning the City's public toilets	11%	12%
Managing and maintaining community centres	11%	12%
Managing and maintaining the City's parks and open spaces	13%	11%
Helping people to access training and find work	11%	10%
Providing community services for children and young people	5%	9%
Subsidising schemes to help disabled people such as the Taxicard scheme	7%	9%
Working with the Police to tackle anti-social behaviour	12%	8%
Providing community services for disabled people and other minority groups	5%	8%
Providing community services for older people	5%	6%

* Highlighted cells indicate a +/-5% change since 2009

Q2c And please select three services that could be stopped altogether if savings have to be found

	2009	2011
Managing and maintaining some commercial premises which the Council rent to local businesses	40%	34%
Running the Corn Exchange	31%	31%
Providing events such as the Folk Festival, Big Weekend and Bonfire Night	26%	30%
Subsidising the City's Park and Ride services	29%	29%
Running the Tourist Information Centre and services for visitors	25%	26%
Managing and maintaining the City's Closed Circuit Television (CCTV) system	18%	19%
Giving grants to voluntary groups to help them run services	21%	17%
Managing and maintaining the City car parks	15%	15%
Helping people to access training and find work	14%	13%
Managing and maintaining the central market	13%	13%
Managing and maintaining community centres	3%	10%
Working with the Police to tackle anti-social behaviour	6%	9%
Subsidising schemes to help disabled people such as the Taxicard scheme	11%	9%
Managing and maintaining the crematorium and the City's cemeteries	5%	6%
Managing maintaining and cleaning the City's public toilets	4%	6%
Providing and managing the Council's sports services such as swimming pools, indoor and outdoor sports facilities, and sports classes	4%	3%
Providing community services for children and young people	4%	2%
Providing community services for disabled people and other minority groups	4%	2%
Providing community services for older people	1%	1%
Managing and maintaining the City's parks and open spaces	2%	1%

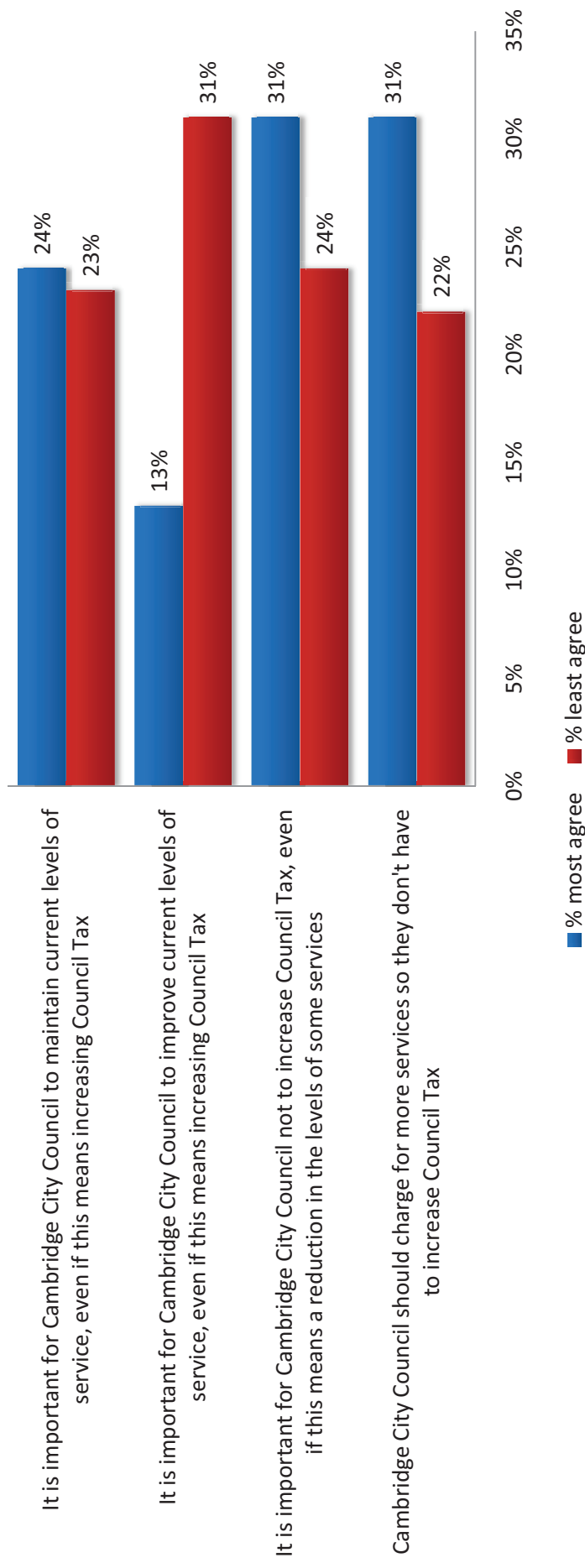
* Highlighted cells indicate a +/-5% change since 2009

Q5. Which of the following statements do you agree with the most?

Q6. Which of the following statements do you agree with the least?

	2009*		2011**	
	% most agree	% least agree	% most agree	% least agree
It is important for Cambridge City Council to maintain current levels of service, even if this means increasing Council Tax	23%	24%	24%	23%
It is important for Cambridge City Council to improve current levels of service, even if this means increasing Council Tax	19%	22%	13%	31%
It is important for Cambridge City Council not to increase Council Tax, even if this means a reduction in the levels of some services	26%	33%	31%	24%
Cambridge City Council should charge for more services so they don't have to increase Council Tax	33%	21%	31%	22%

Service levels versus Council Tax increase



Unweighted sample bases vary

*Figures have been re-calculated to exclude 'answered incorrectly'

**Slight wording change to statements

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Richard Wesbroom	Service Accountant	01223 45 8148
Karen Whyatt	Service Accountant	01223 45 8145