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Cambridge City Council

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

To: **Scrutiny Committee Members** - Councillors Robertson (Chair), Sinnott (Vice-Chair), Baigent, Benstead, Bick, Cantrill, Hipkin, Holt, Sarris and M. Smart

Alternates: Councillors Abbott, C. Smart and Holland

Leader of the Council: Councillor Herbert

Executive Councillor for Finance and Resources: Councillor Owers

Despatched: Wednesday, 6 January 2016

Date: Monday, 18 January 2016

Time: 5.00 pm

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

Contact: Sarah Steed

Direct Dial: 01223 457013

SECOND CIRCULATION AGENDA

- 7** **Public Spaces Protection Order - Action to Control Touting.** *(Pages 5 - 28)*
- 10** **Strategy and Transformation Portfolio Revenue and Capital Budgets** *(Pages 29 - 38)*
- 11** **Finance & Resources Portfolio Revenue and Capital Budgets** *(Pages 39 - 54)*
- 16** **Annual Treasury Management Strategy Statement** *(Pages 55 - 72)*

Information for the Public

Location

The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

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To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert

Report by: Director of Customer and Community Services

Relevant scrutiny committee: Strategy & Resources
18/1/2016
Scrutiny Committee

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

PUBLIC SPACES PROTECTION ORDER – PUNT AND TOUR TOUTING

Not a Key Decision

1. Executive summary

The purpose of the report is to set out the result of the officers' review of evidence of anti social behaviour by punt and tour touts in the city and to ask the Executive Councillor to approve in principle the proposal to make a Public Spaces Protection Order as set out in Appendix A.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve in principle the proposal to make a Public Spaces Protection Order in the form set out at Appendix A;
- 2.2 To authorise officers to publicise the proposed order and to carry out the necessary consultation as required by the Anti-social Behaviour, Crime and Policing Act 2014.

3. Background

- 3.1 Punt and tour touting in the city has been the focus of complaints for many years. The complaints relate to the number of touts gathering in certain areas of the city and the behaviour of the touts.

- 3.2 The City Council received 33 complaints about touts in the period from April to October 2015. The complaints ranged from concern about the number of touts gathering together and obstructing pavements to harassment of residents and visitors, including rude and aggressive behaviour, such as urinating in public and shouting abuse at people.
- 3.3 The complaints are summarised at Appendix B
- 3.4 Nuisance and problematic touting has also been the subject of discussion at West Central Area Committee on a number of occasions over the past 5 years and was made a priority for neighbourhood policing at the meeting in April 2015. A community impact statement from the Sergeant for the area is attached as Appendix C
- 3.5 Most of the complaints relate to the city centre areas of Market Square and the surrounding streets and Kings Parade.
- 3.6 Touts operating from Kings Parade and the city centre are mainly touting on behalf of punt operators working from Garret Hostel Lane slipway, Jesus Green and Laundress Green.
- 3.7 The Conservators of the River Cam are responsible for the licensing and operation of punts on the River. On 29 September 2011 the Conservators decided that:
- 3.7.1 As of 1 April 2012 owners and operators of commercial punts must be able to satisfy two criteria as a registration requirement (a) that the punt to be used is to be operated from an officially recognised punt station, and (b) that the applicant can demonstrate evidence that they have the permission of the landowner or occupier to use that punt operating station.
- 3.7.2 The Conservators recognise the following as authorised punt stations: Granta Mill Pond, Mill Pit west, Mill Pit east, Trinity College, Quayside and La Mimosa.
- 3.7.3 Garret Hostel Lane Slipway, Jesus Green and Laundress Green are not recognised punt stations. The land is owned by the City Council, which has not given permission for use as a punt station. The operators working from this land are not licensed by the Conservators. The Conservators have prosecuted a number of the operators

for the criminal offence of breach of the Conservators' byelaws.

3.8 Over recent years the Council and the Cam Conservators have taken a number of steps to deal with the problems caused by touts, although the legal powers available to the Council are limited.

3.9 The steps we have taken include the following:

a) We have made a byelaw to regulate touting. This is in the standard form available to local authorities. It does not prohibit touting but makes it an offence to tout "in such a manner as to cause obstruction or give reasonable grounds for annoyance to any person in that street or public place". The byelaw can be an effective tool in controlling touting. However, it requires witnesses to attend Court and evidence to be produced to a criminal standard (beyond reasonable doubt) that an individual has touted in a manner that contravenes the byelaw. Usually witnesses are reluctant to come forward in these situations.

b) We liaise with licensed punt operators to make clear our expectations of the behaviour of touts and to raise awareness of the problems and perceptions to which touting gives rise.

c) For the past seven years, we have put enforcement officers on the street to monitor the behaviour of punt touts working within the limits of the touting byelaw to try and resolve problems. Since the summer of 2011 enforcement officers have worked at weekends, and evenings to patrol and to deal with touting byelaw breaches. In 2014 further enforcement officers were recruited to augment the team. Enforcement officers are present in the city centre and at problem areas at peak times (e.g. hot summer days, and weekends) but enforcement officers have a range of demanding responsibilities not limited to punt touting.

d) All but one of the punt operators working from recognised punt stations have signed up to a Code of Conduct for punt touts. This deals with the conduct of touts and limits the numbers and location of touts near to authorised punt stations.

e) Where we can, we have used our ownership of punt stations to require operators to be signatories to and comply with the Code. In particular, operators at Silver Street Bridge, Quayside and La Mimosa punting stations are required to comply with the Code of Conduct. Where the City Council cannot impose the Code of Conduct for punt operators we, encourage voluntary compliance.

3.10 Despite these steps, public concern about the activities and prevalence of touts in the city continues

4. **Anti-social Behaviour, Crime and Policing Act 2014 – Public Spaces Protection Orders**

4.1 Section 59 of the Anti-social Behaviour, Crime and Policing Act 2014 gives the Council powers to make Public Spaces Protection Orders (PSPOs). These orders are intended to deal with a nuisance or problem in a particular area that is detrimental to the local community's quality of life, by imposing conditions on the use of the area. They are designed to ensure that the law-abiding majority can use and enjoy public spaces, safe from anti-social behaviour.

4.2 The definition of public space is wide and includes any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission.

4.3 The Council can make a PSPO if satisfied on reasonable grounds that two conditions are met.

4.3.1 The first condition is that:

- (a) activities carried on in a public place within the Council's area have had a detrimental effect on the quality of life of those in the locality, or
- (b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

4.3.2 The second condition is that the effect or likely effect, of the activities:

- (a) is or is likely to be, of a persistent or continuing nature,
- (b) is, or is likely to be, such as to make the activities unreasonable, and
- (c) justifies the restrictions imposed by the notice.

4.4 A Public Spaces Protection Order is an order that identifies the public place and:

- (a) prohibits specified things being done in that public place
- (b) requires specified things to be done by persons carrying on specified activities in that place; or
- (c) does both of those things.

4.5 The only prohibitions or requirements that may be imposed are ones that are reasonable to impose in order to prevent or reduce the risk of the detrimental effect continuing, occurring or recurring.

4.6 Prohibitions can apply to all persons, or only to persons in specified categories, or to all persons except those in specified categories.

4.7 The order can specify the times at which it applies and the circumstances in which it applies or does not apply.

4.8 Unless extended the order may not have effect for more than 3 years.

4.9 Before making a PSPO , the Council must consult with the Chief Officer of Police, the local policing body, whatever community representatives the Council thinks appropriate to consult and the owner or occupier of land within the restricted area.

4.10 In deciding whether to make a PSPO and if so, what it should include, the Council must have particular regard to the Rights of Freedom of Expression and Freedom of Assembly set out in Articles 10 and 11 of the European Convention on Human Rights.

4.11 The Council must publish the text of a proposed order on its website.

4.12 Failure to comply with the requirement of an order without reasonable excuse is a criminal offence for which the person can be prosecuted. As an alternative to prosecution, the Police

or an authorised person can issue fixed penalty notices. A fixed penalty notice is a notice offering the person to whom it is issued the opportunity of discharging any liability to conviction for the offence by payment of a fixed penalty. The amount of the fixed penalty is set out in the notice.

The area to be covered is quite wide and includes places where licensed punt operations and associated touting take place. In Quayside, Silver Street Bridge, Trinity College frontage on Garret Hostel Lane, Queens Green and the walkway from Quayside to Jesus Green (La Mimosa), the prohibition on touting would not apply to those persons touting on behalf of punt operators operating from a punt station recognised by the Conservators of the River Cam (see paragraph 3.7 of this report).

Although complaints have mostly centred around the city centre areas of Market Square, its surrounding streets and Kings Parade if touting were prohibited in those areas only it is likely that the touts would spread out to the wider area covered by the proposed order.

5. Consultation

- 5.1 If an order is approved in principle the Council is required to consult the Chief Officer of Police, the local policing body, appropriate community representatives and the owner or occupier of land within the restricted area to the extent that this is reasonably practicable.
- 5.2 It is also recommended that we put a survey on the Council website to run from 19 January to 16 February 2016 asking people if they have experienced nuisance or problematic punt touting in the designated areas, to tell us what effect this has had on their quality of life and whether they support the introduction of a PSPO as set out in the draft order (Appendix A). It is proposed that businesses and community representatives in the designated areas should also be further consulted.
- 5.3 Officers will report the outcome of the consultation to the Executive Councillor at the Strategy and Resources Committee meeting on 21 March 2016.

6. Implications

(a) Financial Implications

If an order is made the Council must 'cause to be erected on or adjacent to the land in relation to which the Public Spaces Protection Order has been made such notice or notices as it considers sufficient to draw the attention of any member of the public using that land to:

- (i) the fact that a Public Spaces Protection Order has been made; and
- (ii) the effect of that order being made'.

Consequently, there will be a financial cost to introducing the order. There is a cost of around £2,000 for surveyors fees to calculate where to put signs and how many will be needed to meet the requirements of the Act. The signs are estimated to cost between £32.50 and £100 each (depending on size and quality) plus delivery charge of £25 and approximately £20 each for fitting. We will also need to get permission to attach the signage to lampposts from County Council if necessary. The cost could be considerable as the Act requires that the 'notice (or notices) must be positioned in a manner that the local authority considers sufficient to draw it to the attention of any member of the public using the land.' In addition, new notices would need to be produced and erected if the order was extended, varied or discharged. A bid for £3,000 to cover the costs has been made in the budget round 2016/17 but this will not fully cover the costs.

(b) Staffing Implications

There will be significant staffing implications, dependent on how the Council wants to designate the issuing of fixed penalty notices for breaches of the order.

(c) Equality and Poverty Implications

We are in the process of completing an Equalities Impact Assessment and will complete it following the outcome of the recommended consultation.

(d) Environmental Implications

Nil: to indicate that the proposal has no climate change impact.

(e) Human Rights

In deciding whether to make a Public Spaces Protection Order and if so, what it should include, the Council must have particular regard to the Rights of Freedom of Expression and Freedom of Assembly set out in Articles 10 and 11 of the European Convention on Human Rights.

(f) **Procurement**

Costs are unlikely to fall within the procurement criteria.

(g) **Consultation and communication**

The order will also be published on the website and further consultation will take place with the groups detailed in section.

(h) **Community Safety**

As stated in the report.

7. Background papers

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

Code of Practice for Visitor Industry 2013

Home Office Guidance - Anti-social behaviour, Crime and Policing Act 2014

8. Appendices

Appendix A Public Spaces Protection Order and map

Appendix B A summary record of the complaints received since April 2015

Appendix C Community Impact Statement

9. Inspection of papers

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

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ANTI-SOCIAL BEHAVIOUR, CRIME AND POLICING ACT 2014

SECTION 59
PUBLIC SPACES PROTECTION ORDER

THE CAMBRIDGE CITY COUNCIL, Cambridge PUBLIC SPACES PROTECTION
ORDER 2016

THIS ORDER is made by Cambridge City Council ("the Council") because the Council is satisfied on reasonable grounds that activities carried out or likely to be carried out in a public space in Cambridge shown coloured red on the attached map (the Public Spaces):

- Have had or are likely to have a detrimental effect on the quality of life of those in the locality
- Are or are likely to be unreasonable and
- Justify the restrictions imposed

The Council is satisfied that the following activities have been or are likely to be carried out in the public space:

Touting for tours and punt hire

RESTRICTIONS:

You are prohibited from advertising or soliciting custom for a punt tour, walking tour, hire or use of punts boats, or similar craft within the Public Spaces.

EXCEPTION

The prohibition does not apply to Quayside, Silver Street, Trinity College frontage at Garret Hostel Lane, Queens Green, walkway from Quayside to Jesus Green (La Mimosa) **provided that** the following conditions are met:

1. The touting is carried out by or on behalf of a punt operator whose vessels are licenced for commercial purposes by the Conservators of the River Cam (the Conservators) **and**
2. The touting is for punt tours or punt hire from one of the 6 punt stations recognised by the Conservators, Granta Mill Pond, Mill Pit west, Mill Pit east, Trinity College, Quayside or La Mimosa and the operator can demonstrate that they have the permission of the landowner or occupier to use that punt station

PERIOD FOR WHICH THE ORDER HAS EFFECT

This order will come into force on 16 May 2016 and lasts until 30 April 2019

At any point before the expiry of this 3 year period the Council can extend the order by up to three years if they are satisfied on reasonable grounds that this is necessary to prevent the activities identified in the order from occurring or recurring or to prevent an increase in the frequency or seriousness of those activities after that time.

1. WHAT HAPPENS IF YOU FAIL TO COMPLY WITH THIS ORDER?

Section 67 of the Anti-Social Behaviour Crime and Policing Act 2014 says that it is a criminal offence for a person without reasonable excuse –

- (a) to do anything that the person is prohibited from doing by a public spaces protection order, or
- (b) to fail to comply with a requirement to which the person is subject under a public spaces protection order

A person guilty of an offence under section 67 is liable on conviction in the Magistrates Court to a fine not exceeding level 3 on the standard scale

FIXED PENALTY

A constable, police community support officer or city council enforcement officer may issue a fixed penalty notice to anyone he or she believes has committed an offence under section 67 of the Anti-Social Behaviour, Crime and Policing Act. You will have 14 days to pay the fixed penalty of £75. If you pay the fixed penalty within the 14 days you will not be prosecuted.

APPEALS

Any challenge to this order must be made in the High Court by an interested person within six weeks of it being made. An interested person is someone who lives in, regularly works in, or visits the restricted area. This means that only those who are directly affected by the restrictions have the power to challenge. The right to challenge also exists where an order is varied by the Council.

Interested persons can challenge the validity of this order on two grounds: that the Council did not have power to make the order, or to include particular prohibitions or requirements; or that one of the requirements of the legislation, for instance consultation, has not been complied with.

When an application is made the High Court can decide to suspend the operation of the order pending the Court's decision, in part or in totality. The High Court has the ability to uphold the order, quash it, or vary it.

Dated.....

The Common Seal of
Cambridge City Council
was affixed in the presence of

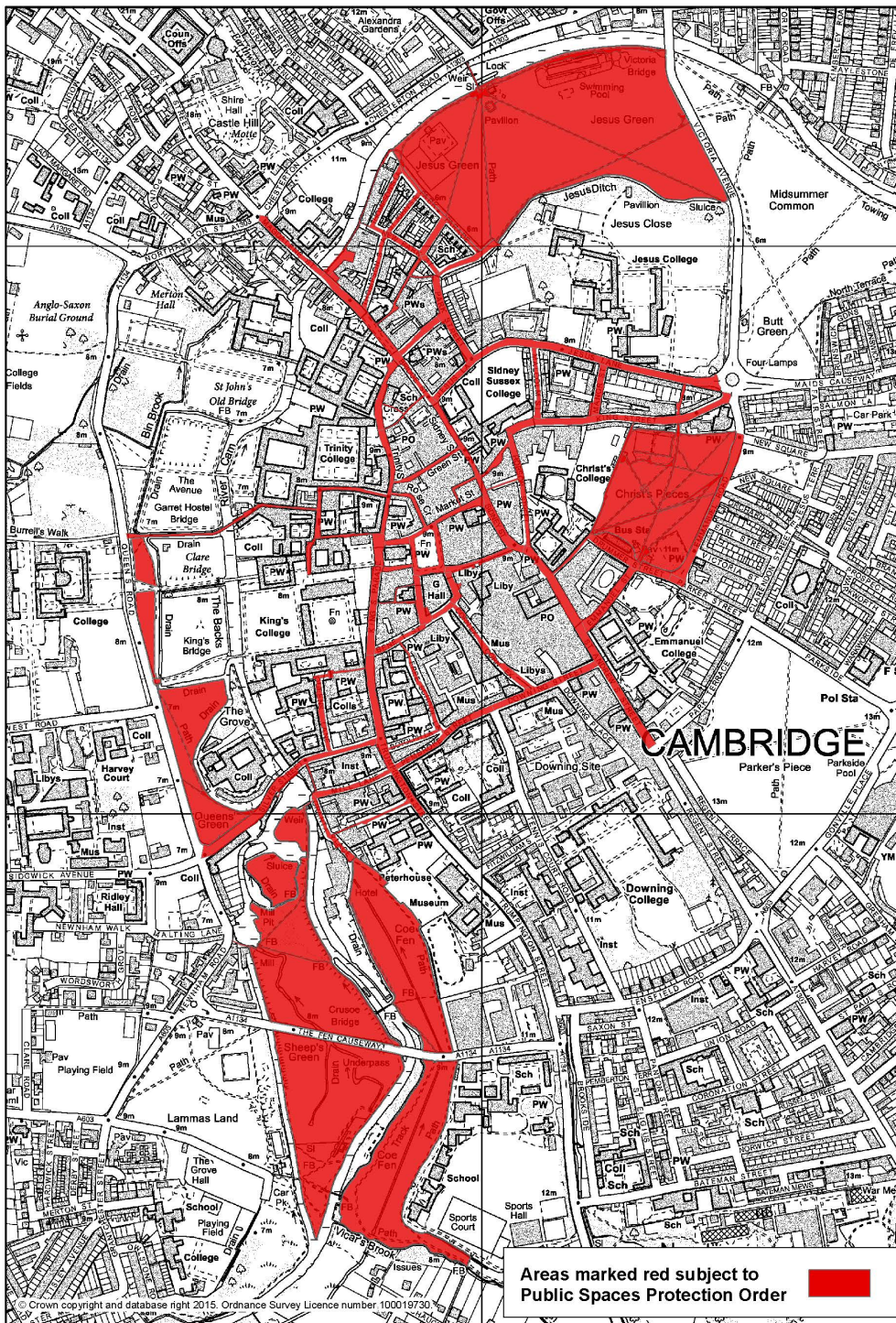
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Head of Legal Services

Section 67 Anti-Social Behaviour Crime and Policing Act 2014
(1) It is an offence for a person without reasonable excuse-

- (a) To do anything that the person is prohibited from doing by a public spaces protection order, or
- (b) To fail to comply with a requirement to which a person is subject under a public spaces protection order
- (2) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale
- (3) A person does not commit an offence under this section by failing to comply with a prohibition or requirement that the local authority did not have power to include in the public spaces protection order

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Table summary for PSPO Evidence Appendix B

Date	ID No.	Complaint	Location
07-04-15	379226	The complainant reported a vast increase in punt touts going up and down St Edwards Passage all the time. People are being pestered and not being left alone.	St Edwards Passage
09-04-15 at 14:53	381087	Report of a large group of punt touts on Kings Parade, around 9 of them.	Kings Parade
10-04-15 at 11:17	381663	An aggressive punt tout was on Sidney Street. On being asked to move on, the tout became aggressive and threatened to smash complainant's face in.	Sidney Street
14-04-15 at 11:00	383386	Report of an excessive amount of punt touts in the Market Hill area, approaching people in outdoor seated areas, trying to drag away those standing. Complainant said 'it started since the Easter weekend. In the past, punt operators could be communicated with but now they say that it's not their staff but people from Garret Hostel bridge / lane'. Complainant said 'there are 4 of them in the Market Square at the moment and we are fed up with it.'	Market Hill
16-04-15 at 14:45	386111	Complaint that 'Ticket touts are displaying large advertising boards on the public highway.'	Kings Parade
23-04-15	390970	Report of touts obstructing the pavement on Bridge Street and the complainant regularly has to walk round them or avoid being poked with their clip boards, which they wave in front of passers-by to stop them. Complainant also reported several touts on Market Square.	Bridge Street Market Square
24-04-15 at 13:37	390963	Report of three punt touts in Market Square. They had boards with the punting company's name on one side.	Market Square
29-04-15 Incident 26-04-15 at 11:30	394098	Report of aggressive and nuisance punt touting on Magdalene Bridge on Sunday 26 April at 11.30. Two touts shouted at complainant's wife for not answering them when asked if they wanted a punt trip.	Magdalene Bridge

		Complainant reported touts in Market Square same day at 3.15, not wearing identifying uniform or badges.	Market Square
30-04-15 at 11:45	398019	Report of a punt tout causing a disturbance and demonstrating unacceptable and threatening behaviour in the Tourist Information Office.	Peas Hill
01-05-15 at 15:05	397991	Report of two punt touts taking a large quantity of the Punting Flyers from the Tourist Information Office.	Peas Hill
13-05-15 at 12:19	402794	<p>Complainant reported concern that visitors and newcomers to Cambridge are being overcharged by punt touts. Prices quoted by 3 male touts were £20 per adult and £15 per student and that they could give a discount. When challenged, they stated that the Tourist Office charged Adults £20 with no discount. When asked to see their licence or name badge told that they had worked here since 2004 and were trusted.</p> <p>For information, the Tourist Office punting charge is £13-14 per adult / £11-12.50 per student.</p>	Between Market Square and Petty Cury
13-05-15 at 16:40	403784	Complainant reported that a punt chauffeur got off his punt onto the river bank and proceeded to urinate, leaving his clients in the punt whilst he did so. He returned to his punt and punted along the river dropping his passengers at the quayside. He was spoken to afterwards at Garrett Hostel Bridge and responded that he had to go somewhere.	River bank
27-05-15	411312	Complainant requested to know 'What are Cambridge police planning to do in order to actually enforce this law? as over the week-end there seems to be more touts than ever before. It creates a nuisance for Cambridge residents and tourists as well as significantly harming the business of legitimate, tax-paying punting companies who are unable to tout in these areas.'	Market Square and Kings Parade

28-05-15 Incident Sunday 24-05-15	411796	Report that a privately hired punt was crashed into on the river by an illegal operator causing injury. A passenger's hand was damaged and the injured person will be unable to work for a few weeks.	On the river
29-05-15 Incident 28-05-15	413164	Complainant reported being stopped a member 8 times by punt touts yesterday striding around Petty Cury hassling people. 'The touts won't take no for an answer and were also stopping people on St Andrews Street.'	Petty Cury St Andrews Street
04-06-15 at 11:15	416506	Complainant reported concerns about punt touts on Kings Parade.	Kings Parade
04-06-15 at 13:51	416724	Complainant reported being approached by an abusive punt tout between Cambridge University Press bookshop and Paperchase near the market. When the member of the public explained the inability to go punting as carrying shopping home, another tout appeared and told the member of public to 'Fuck off'. The member of public responded that they wished to speak to the tout's manager to complain about his behaviour and the tout responded that he was self-employed. The member of public rang the number represented on the cardboard sign but the number seemed to be switched off. The member of public was shocked at the tout's sense of entitlement.	Between Trinity Street and Market Hill
08-06-15 Incident 06-06-15	418330	A first time visitor to Cambridge on Saturday said 'it will be the last visit because they had been harassed throughout the whole day by punt touts. They were blocking the way and they were being intimidating, and this happened every few yards'.	City Centre
12-06-15 at 08:21	421831	Complainant reported that punt touts were encroaching onto the car park ramp therefore making it difficult to get out in the afternoon and early evenings. There were a lot of touts in the area, being a continual nuisance for all users and visitors to Quayside during peak season.	Quayside
17/06/15	425313	Report received that on 16-06-15 at the Garrett Hostel Lane Slipway, a lady suffered quite a bad	Garret Hostel Lane

Incident 16-06-15		head injury and was taken away by ambulance. The ambulance had to wheel her over the bridge and out towards Queens Road because of the restricted access to emergency vehicles down Garret Hostel Lane.	
19-06-15 at 09:03	426613	Complainant noticed in the past few weeks and months, the proliferation of punt touts operating around the vicinity of Senate House, Market Square, Trinity Street, and Kings Parade areas.	Senate House Market Square Trinity Street Kings Parade
15-07-15 at 15:21	443481	Report of a large number of students, perhaps from language schools, wearing T-shirts and wrist bands that were marked, being led towards the Garret Hostel Lane and many of them were already lined up to board onto punts from the site.	Garret Hostel Lane
16-07-15 at 14:24 Incident 11-07-15 daytime Incidents 10-7-15 evening and 11-07-15 daytime	444370	<p>Local residents, who have been punting before, know the history of the colleges and wanted to punt themselves received misinformation from punt touts. On Saturday 11 July, the residents were immediately approached at Quayside and told that they would have to wait 1.5 hours to self-hire and that it would cost £30. Instead a chauffeured trip could be offered for £12 per person, instead of the usual price of £18 per person, with only a 15 minute wait. A voucher was provided to present if they wanted to take up the offer.</p> <p>Empty punts were seen arriving so they went to another punting company on the river and asked if they could do a self-hire. They were told it would be £20 per hour and that they could have one in 5 minutes, which they undertook.</p> <p>Littering has also been witnessed by punt workers.</p>	Quayside
16-07-15 14:38 Incident 15-07-15	444424	Complainant overheard punt touts using offensive language in public. Overheard yesterday on Kings Parade from a punt tout: 'Oh girls take a punt out so I can get some commission to buy some booze and shit.'	Kings Parade

16-07-15 15:16	444466	Complaint received about the large number of punt touts on Petty Cury and Sidney Street with quite intimidating and aggressive behaviour.	Petty Cury & Sidney Street
17-07-15	448401	Complainant reported harassment bordering on bullying of tourists, sly comments to anyone refusing to take a punt.	Market Square & Petty Cury
22-07-15 at 13:00	447943	<p>A punt tout stepped out in front of a cyclist moving between the Senate House, along King's Parade, towards Kings College. The cyclist rang the bell and the punt tout said 'Look where you're going. You shouldn't be cycling here'. The cyclist replied that they could and the tout started being verbally abusive, calling names including 'Queer. Puff'.</p> <p>The cyclist returned later as they did not want to engage with the tout further and two punt touts from another company, who had witnessed the earlier incident, checked that the member of public was okay and advised that the abusive punt tout ran his own company. The cyclist, as a resident of Cambridge paying taxes, felt that they should not have to put up with this threatening behaviour.</p>	Kings Parade
06-08-15 Incident 25-07-15	457174	Complainant reported being shocked by the aggression of the touts competing with each other to get sales commission. The complainant views the touts as a nuisance and said it's embarrassing to see visitors to our country literally blocked and stopped from walking down the street.	Cambridge City
07-08-15 at 15:55	458284	<p>Report that a punt tout had been offensive and aggressive in his approach. He suggested that the complainant was a prostitute and said other things that were offensive, ridiculing and belittling.</p> <p>Complainant added the 'punt touts are operating outside Great Street Mary's Church at the time and this has happened on a couple of occasions'.</p>	Outside of Great Street Mary's Church, Kings Parade

27-08-15 at 10:00	468687	A punt promoter, standing outside 'EAT' in the city centre made some very rude and abusive comments. Whilst passing by, he shouted with pointing and motioning towards the member of public. 'wet dog, I can smell wet dog, what is that smell? What a wet dog!'	St Tibbs Row Lion Yard
26-09-15	487713	<p>Cambridge residents were aggressively approached by multiple punt touts whilst walking through the City last weekend. At one point they were obstructed by one tout, only to be accosted by a second offering a "ten pound discount" as they tried to escape the first of the touts.</p> <p>The complainant said 'as a resident, who can punt and knows where to hire a punt if required, I felt that whilst not physically threatening, this sort of behaviour turns a pleasant Sunday stroll in the town into some sort of gauntlet run'.</p>	Cambridge City Centre
05-10-15 at 09:18	487731	Complaint received about punt operators, using the land below the sluice and punt rollers in the town centre, they were threatening and abusive to an older resident, who was fishing. The resident asked them politely not to try to park punts where fishing was taking place. There were 6 punts. The punt touts acted in a threatening and abusive manner, one them telling the resident to F off. Another one said they had more right to be there than the member of public did.	River bank
26-10-15 at 09:26	500609	Complainant witnessed aggressive touting in the Market Square area. Several punt touts were running after tourists as well as constantly stepping in front of groups waving boards in their faces. The complainant is really fed-up with these people giving our city a bad name.	Market Square

WITNESS STATEMENT

(CJ Act 1967, s.9; MC Act 1980, ss.5A(3)(a) and 5B; MC Rules 1981, r.70)

Statement of **Ian WOOD** URN:

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Age if under 18 **Over 18** (if over 18 insert 'over 18') Occupation: **Police Sergeant**.....

This statement (consisting of 3 pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated anything in it which I know to be false, or do not believe to be true.

Signature:

Date: 20/12/2015

Tick if witness evidence is visually recorded ☐ (*supply witness details on rear*)

This community impact statement is made in relation to the ongoing issues experienced in CAMBRIDGE CITY CENTRE, which are attributed to Punt Touts.

I am the person named above, and I am an employee of CAMBRIDGESHIRE CONSTABULARY in the office of Police Sergeant. Since July 2014, I have worked in the Cambridge City Centre Problem-Solving Team – where I am tasked to address anti-social behaviour, public safety issues and criminality that affects the local community. The large majority of my work entails working with key partner agents, such as CAMBRIDGE CITY COUNCIL and various other enforcement agencies.

Upon starting my role as the City Centre PST Sergeant, I undertook a handover from Sergeant Paul STREET – so I was aware of the issues affecting the City Centre area, and the safeguarding and control tactics adopted to address them. I also chose to speak to Sergeant Andrea GILBERT and Inspector Mike BARNSHAW who have also previously held the same post, in order to ensure that I got a global understanding of what issues and tactics had previously been discussed - going back over a period of several years. One common theme from all three Supervisors was that of Punt Touts – essentially people selling boating trips on the RIVER CAM (either chauffeured or unescorted).

Punts are flat-bottomed boats, designed for use in small rivers and shallow water - which are hand-propelled by a pole against the riverbed. They were originally built as cargo boats or platforms, but nowadays they are used almost exclusively for pleasure-trips with passengers. As the RIVER CAM runs past some of the iconic universities in CAMBRIDGE, punt tours attracts tourists on an international scale.

Unfortunately, the behaviour of some of the Punt Touts selling these tours are perceived as an endemic anti-social behaviour issue unique to CAMBRIDGE CITY CENTRE that has been causing problems for residents, businesses and visitors alike for a significant period of time.

Signature: Signature witnessed by:

Continuation of Statement of **PS Ian WOOD 2411**.....

I have fully researched the issue by speaking to CAMBRIDGE CITY COUNCIL, THE CAM CONSERVANCY, Sgt GILBERT and a lot of the Punt Touts themselves. I understand that the RIVER CAM is managed by the CAM CONSERVATORS, and that they work closely with CAMBRIDGE CITY COUNCIL to ensure that the water-way and banks are safe for the public to enjoy. Although it is perfectly legal to 'Tout' for business (provided the Tout is not causing an annoyance to anyone), there are both licensed and unlicensed companies that operate in the City Centre area – which are often hard to distinguish to a lay visitor. Since April 2012, it is a legal requirement for a Punt Tour company in the City to be licensed by the CAM CONSERVATORS – often requiring registration fees, robust insurance policies and stringent health and safety checks; they must also adhere to a voluntary code of practice surrounding their Tout activities. There are currently six authorised punt stations in Cambridge – based at JESUS GREEN, QUAYSIDE, TRINITY COLLEGE, MILL POND, MILL LANE and GRANTA MILL POND, and tickets can also be purchased from the TOURIST INFORMATION CENTRE at the GUILDHALL, MARKET HILL.

Everyone I spoke to stated that the Punting trade is an extremely lucrative business. In terms of initial outlay, I understand that a Punt costs approximately £5000 to build – but some are leased out for the season by silent partners. It is alleged that some of the Punting companies do not pay mooring fees or are inadequately insured – so the only other major financial outlay is their Staffing and occasional maintenance of the punts.

In terms of revenue, the figures quoted were quite shocking: during the 2015 season, a typical Punt Tour will cost one passenger in excess of £10. One Punt can carry up to twelve passengers, and will run in excess of thirteen tours per day. Put simply, £10 x 12 passengers x 13 tours equals over fifteen hundred pounds in revenue PER DAY – with minimal overheads. Typically the peak punting-season runs from April through to October each year, but it is not uncommon to see Punts on the river throughout the year.

Although there are only a small number of Punt Tour companies in CAMBRIDGE overall, the Owners will employ a considerable amount of people to tout for business and chauffeur their punts. As a consequence, the RIVER CAM is overly-congested by punts and other river-vessels – particularly during the summer season. This is further exacerbated by the lack of suitable mooring and loading and offloading space along the banks throughout the City Centre area. Similarly as this is seasonal work, it is difficult to monitor those employed in the industry – as they are extremely transient and tend to be paid cash in hand.

Having lived, socialised and worked in CAMBRIDGE for the past seven years I was aware that Punt Touts attracted a great deal of criticism and scorn in the local community – and I have personally experienced the inconvenience and frustration caused by Touts trying to 'hard sell' such tours in the City centre area. Frequent reports to the Police and Council suggest that some of these Touts are extremely pushy and obstruct members of public in a bid to secure a sale; often becoming abusive and derogatory if a tour is refused.

On any given day, I would moderately estimate that there are in excess of forty different Punt Touts operating in

Signature: Signature witnessed by:

Continuation of Statement of **PS Ian WOOD 2411**.....

the City. The large majority of Punt Touts tend to operate from the areas of KINGS PARADE and RIVERSIDE, but have recently spread further afield to PETTY CURY and MARKET SQUARE. It is extremely difficult to walk from one end of the City Centre to the other without being approached at least once by one of these aforementioned Touts.

The Touts generate business by approaching members of the public (usually Visitors to the City), and then lead their customers to a Punt moored nearby where the sale is finalised. Bookings are made either in the street, or can now be made online in advance. Although there are inevitable questions about taxation, licensing and mooring fees – my primary concern is that of public safety. Despite some of the Touts claiming they are adequately insured to carry passengers, this is unlikely due to the fact that they are not appropriately licensed. I would also question how well customers are triaged in respect of their ability to swim or navigate a large cumbersome punt through unfamiliar and congested waterways. Because some of the Punt Tout companies are unlicensed, there is no ombudsman available to customers who have a bad experience with Punt Touts. As such, I understand that disputes over refunds, unsatisfactory health and safety issues or customer service are often mistakenly referred to the Council. I would also suggest that only a small fraction of complaints are ever made, as the Customer is usually a day-visitor to the City. This is also why local partner agencies are keen to ensure common standards are being adhered to by everyone.

Due to the lucrative work but limited physical space available, competition for customers has become a major issue for the Touts - which has frequently devolved into allegations of assault and criminal damage; which usually take place in a very public arena. As a natural consequence, our research has also discovered that the large majority of the known Punt Touts have criminal convictions for a wide variety of offences – ranging from drug possession, theft, serious assaults and even sexual offences, which could also be potentially detrimental to the image of the City – given some of the Touts previous behaviour.

Historically, a wide range of different tactics have been employed by CAMBRIDGESHIRE CONSTABULARY, CAMBRIDGE CITY COUNCIL and the CAM CONSERVANCY in a bid to curb the anti-social behaviour and criminality associated with the Punt Touts – ranging from enforcement patrols, public awareness campaigns, and pursuing legal action. We have even tried to dissuade local Students for working for the Punt Touts – by making them aware of the fact that they could potentially be liable for prosecution if caught. Unfortunately the lure of a pleasant working environment and a potentially astronomical income has done little to impact on this situation.

I have been asked to prepare this Community Impact Statement by CAMBRIDGE CITY COUNCIL on the understanding that a Public Spaces Protection Order is being considered to combat the antisocial behaviour caused by Punt Touts in CAMBRIDGE CITY CENTRE. I whole heartedly welcome this initiative, as it would enable enforcement Officers to take positive action against those Touts who cause a misery to people in the City Centre – and would encourage Visitors to gravitate back towards legitimate punting stations.

Signature: Signature witnessed by:

RESTRICTED – FOR POLICE AND PROSECUTION ONLY
(when completed)

Home address:

c/o CAMBRIDGE CITY CENTRE PROBLEM-SOLVING TEAM, PARKSIDE POLICE STATION, PARKSIDE, CAMBRIDGE..... Postcode: **CB1 1JG**

Home telephone number **n/a**..... Work telephone number **101**Mobile/pager number **n/a**..... Email address:Preferred means of contact: **As Above****Male** / ~~Female~~ (delete as applicable) Date and place of birth: **n/a**Former name: **n/a** Height: **n/a** Ethnicity Code:

Dates of witness non-availability

Witness care

- a) Is the witness willing and likely to attend court? **Yes**. If 'No', include reason(s) on MG6. What can be done to ensure attendance?
- b) Does the witness require 'special measures' as a vulnerable or intimidated witness? **No**. If 'Yes' submit MG2 with file.
- c) Does the witness have any specific care needs? **No**. If 'Yes' what are they? (Healthcare, childcare, transport, disability, language difficulties, visually impaired, restricted mobility or other concerns?)

Witness Consent (for witness completion)

- | | | | | | |
|---|-----|--------------------------|----|--------------------------|------------------------------|
| a) The criminal justice process and Victim Personal Statement scheme (victims only) has been explained to me | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | |
| b) I have been given the leaflet 'Giving a witness statement to police — what happens next?' | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | |
| c) I consent to police having access to my medical records in relation to this matter: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | N/A <input type="checkbox"/> |
| d) I consent to my medical record in relation to this matter being disclosed to the defence: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | N/A <input type="checkbox"/> |
| e) I consent to the statement being disclosed for the purposes of civil proceedings e.g. child care proceedings (if applicable) | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | N/A <input type="checkbox"/> |
| f) The information recorded above will be disclosed to the Witness Service so they can offer help and support, unless you ask them not to. Tick this box to decline their services: | | | | | <input type="checkbox"/> |

Signature of witness:

Statement taken by (print name): **PS Ian WOOD 2411**Station: **PARKSIDE POLICE STATION**Time and place statement taken: **1400hrs, PARKSIDE POLICE STATION**

Signature of witness:



To: Executive Councillor for Strategy & Transformation:
Councillor Lewis Herbert

Report by: Chief Executive, Director of Customer and Community
Services, Director of Environment, Director of Business
Transformation and Head of Finance

Relevant scrutiny
committee: Strategy and Resources
Scrutiny Committee 18 January 2016

Wards affected: All Wards

Strategy and Resources – Strategy & Transformation Portfolio Revenue and Capital Budget Proposals for 2015/16 to 2019/20

Key Decision

1. Executive summary

Revenue and Capital Budgets

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2016/17 which will be considered at the following meetings:

Date	Committee	Comments
18 January 2016	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
21 January 2016	The Executive	Budget amendment may be presented
8 February 2016	Strategy & Resources	Consider any further amendments including opposition proposals
25 February 2016	Council	Approves General Fund Budget and sets Council Tax

2. Recommendations

The Executive Councillor is recommended to:

Review of Charges:

- a) There are none requiring formal approval within this Portfolio (so no Appendix A).

Revenue:

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

Capital:

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

3. Background

- 3.1 At its meeting on 22 October 2015, Council gave initial consideration to the budget prospects for the General Fund for 2016/17 and future years in the Mid-year Financial Review (MFR) 2015.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 18 January 2016 will include a review of all the factors relating to the overall financial strategy that were included in the MFR.
- 3.3 The report to The Executive on 21 January 2016 may include details of the Government's Final Settlement for 2016/17. The announcement is likely to be made shortly after the conclusion of the consultation period, which ends on 15 January 2016.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating, for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

Budget 2016/17 - Overall Revenue Budget Position

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by the Executive at its meeting on 21 January 2016.

Table 1: Overall Revenue Proposals (see Appendix B)

Savings and Bids	2015/16 Budget £	2016/17 Budget £	2017/18 Forecast £
Savings:			
Increased Income	-	-	-
Savings	-	(94,500)	(94,500)
Total	-	(94,500)	(94,500)
Bids:			
Unavoidable Revenue Pressures	-	-	-
Reduced Income	-	-	-
Bids	-	55,500	52,500
Total	-	-	-
Net (savings)/bids	-	(39,000)	(42,000)

External Bids	-	-	-
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Non-Cash Limit Items	408,000	230,000	81,000
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Capital

- 3.6 The review of the capital plan and capital approval processes, first proposed in the MFR 2014, is now complete. The review addressed a number of concerns, as listed below:
- Capacity to deliver projects to time, cost and quality;
 - Dependency on revenue funding; and
 - Inclusion of items, such as unallocated funds, projects at an early stage of development, and items more properly treated as small enhancements or maintenance spend.
- 3.7 Phase 1 sought to remove projects from the plan that were not fully specified and/or not deliverable. Phase 2 proposed and implemented new processes and procedures, including a Capital Programme Board to review and approve the planning and deliverability of schemes prior to funding approval. The operation of the board and the new processes will be kept under review to ensure effectiveness.
- 3.8 All capital proposals in this BSR have been put through the new processes. Additionally, new documentation was required for schemes already on the plan but not yet started, to ensure that they are planned and deliverable. Where

satisfactory documentation has not been received, it is proposed that funding is withdrawn and the schemes are moved to the Projects Under Development (PUD) list.

Table 2: Overall Capital Proposals (see Appendix C)

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Capital Deletions	-	-	-	-	-
Capital Bids	-	85,000	-	-	-
Net Capital Bids	-	85,000	-	-	-

Public Consultation

- 3.9 The Council has carried out a budget consultation exercise annually since 2002. Last year, the council used a tool called “YouChoose”, in which residents were asked to say how they would increase or decrease the budget across a range of council services, to meet the council’s savings targets and set a balanced budget. In the YouChoose exercise, residents identified a number of services where they thought the biggest savings could be made. These included planning services, managing parks and public spaces, waste collection and recycling, running community centres, street cleaning, and enforcing environmental standards.
- 3.10 This year, the council asked a group of residents and businesses to take part in workshops to look in more detail at where savings could be made from the services picked out last year. BMG Research, an independent research agency, was commissioned to conduct deliberative workshops to explore their views. Three workshops involving a representative sample of residents and local businesses were run in August and early September 2015. Participants were asked to:
- Indicate how they perceived the Council and the services it provides.
 - Give their initial views on a long-list of services (23) that make-up the five key service areas.
 - Talk about their experiences of using the services (23).
 - Discuss how they valued the services, and whether there were opportunities for doing things in a different way.
 - Vote on the importance of services where ideas for savings (8) had been put forward.
 - Give their initial views on the savings ideas.
 - Consider the ideas for savings in a bit more depth.
- 3.11 The full report, published on the Council’s website, sets out the key findings from the research. Section 3 of the BSR highlights the views of participants in the workshops, outlining similarities or differences between the views of resident and business representatives.

4. Implications

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have financial, staffing, equality and poverty, environmental, procurement, consultation and communication and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

(a) Financial Implications

Financial implications of budget proposals are summarised in the BSR 2016/17.

(b) Staffing Implications

See text above.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the Council's Budget Setting Report will be submitted to The Executive at its meeting on 21 January 2016. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

(d) Environmental Implications

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

(e) Procurement Implications

Any procurement implications will be outlined in the BSR 2016/17.

(f) Consultation and Communication Implications

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

<https://www.cambridge.gov.uk/budget-consultation>

(g) Community Safety Implications

Any community safety implications will be outlined in the BSR 2016/17.

5. Background papers

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

- Budget Setting Report 2016/17
- Mid-year Financial Review 2015
- Individual Equality Impact Assessments

6. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Review of Fees & Charges	-
B	Revenue Budget Proposals for this portfolio	✓
C	Capital Budget Proposals for this portfolio	✓

7. Inspection of papers

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

Authors' Name: John Harvey
Authors' Phone Number: 01223 - 458143
Authors' Email: John.harvey@cambridge.gov.uk

[O:\accounts\Committee Reports & Papers\Strategy & Resources from July 2007\2016 January\Strategy and Transformation Portfolio\Final\2016-17 Budget Report - S&T - Final.doc](#)

2016/17 Budget - Revenue Proposals

Page 1 of 3

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Strategy & Transformation

B3771	Public Spaces Protection Order Signage	0	3,000	0	0	0	Lynda Kilkelly	Nil
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Exploration is underway into obtaining a Public Spaces Protection Order against punt touting. If this is pursued, extensive signage will be required in specific conservation areas of the city. 2.9

B3772	Domestic Abuse – Development work, training and awareness raising	0	7,000	7,000	7,000	7,000	Lynda Kilkelly	Nil
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The City Council has committed to delivering an extensive action plan to retain our White Ribbon Campaign accreditation and to develop work to help address domestic abuse in the City. The plan involves engaging the community, including business, voluntary sector and partner agencies in working together to raise awareness, improve the availability of information and increase reporting of domestic abuse incidences. In order to do this we need to run events, produce publicity material, train staff and ensure there is dynamic and effective working with a wide range of stakeholders and a successful Domestic Abuse Forum in the City. 6.5

B3821	Bid to keep Cambridge's streetlights on in partnership with the County Council	0	45,500	45,500	45,500	45,500	Lynda Kilkelly	+H
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The County Council's proposal to dim or turn off lighting in a number of areas across the County will have a significant effect on community safety in Cambridge. This bid is a compromise offer to the County, in line with the actions of various parishes across Cambridgeshire, to fund the lights between 2am and 6am in the city if the County will fund the period between midnight and 2am. The precise nature of this bid is to be subject to the results of ongoing negotiations with the County as their budget decisions become clearer. 3.2

This proposal is on the basis that, in the agreed time period:

- (i) Lights in the city centre and University areas, including immediate walk/cycle to home routes, and from other key locations, will be kept on with a maximum of 20% dimming, and will be funded by the County
- (ii) All other lights in streets currently proposed for switch off in the city, i.e. the remaining affected streets, to be kept on with a maximum dimming of 50%

Total Bids in Strategy & Transformation

0	55,500	52,500	52,500	52,500
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Total Bids

0	55,500	52,500	52,500	52,500
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2016/17 Budget - Revenue Proposals

Page 2 of 3

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Strategy & Transformation

NCL3845	Additional funding for Business Transformation Programme	408,000	77,000	(72,000)	29,000	0	Ray Ward	Nil
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The Council has previously provided funding for a complex cross-cutting programme of transformational change. At the outset it is challenging to predict accurately the costs of such a change as the scale of the savings required from it and the detail of each specific project within the programme may be difficult to accurately define. As more detail of the costs, benefits and pace of the programme become available it is clear that additional funding is required. The programme is currently managing and preparing to manage projects with a combined cost saving value of £2.4m. The bid will provide for the additional change resources required to deliver these and future projects and other staffing costs associated with the programme. The bid also reflects the need to re-profile the programme budget, based on the anticipated demand in the earlier years of the programme. n/a

NCL3855	Contribution to City Deal from New Homes Bonus (NHB)	0	153,000	153,000	153,000	153,000	Caroline Ryba	Nil
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Contribution from New Homes Bonus to support the City Deal programme based on a contribution of 40% in 2015/16 and 50% thereafter. This incorporates the additional New Homes Bonus for 2016/17 based on 17 December notification from the Department for Communities and Local Government (DCLG) and future NHB amounts calculated based on Annual Monitoring Report (AMR) housing projections. [Linked to NCL3854 and NCL3856].

Total Non-Cash Limit Items in Strategy & Transformation

408,000	230,000	81,000	182,000	153,000
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Total Non-Cash Limit Items

408,000	230,000	81,000	182,000	153,000
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2016/17 Budget - Revenue Proposals

Page 3 of 3

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

Strategy & Transformation

S3755	Miscellaneous savings in Democratic Services	0	(7,000)	(7,000)	(7,000)	(7,000)	Gary Cliff	Nil
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A change to one post (grade and hours) will result in an on-going saving. A new printing contractor has resulted in savings on committee agenda costs. n/a

S3801	Various operational savings from cost centre 01007 and 01006	0	(7,500)	(7,500)	(7,500)	(7,500)	Andrew Limb	Nil
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Savings from operational efficiencies in cost centres 01007 (£2,500) and 01006 Corporate Policy (£5,000). Some of the efficiencies will be achieved as a result of reduced demand for consultancy support and from the current underspend on the interpreting budget. It is anticipated that the remaining budget will be sufficient to meet demand for these services. n/a

S3835	Corporate Management Review	0	(80,000)	(80,000)	(80,000)	(80,000)	Antoinette Jackson	Nil
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The Chief Executive has reviewed the council's senior management structures to reduce the number of senior managers, in the light of the number of new arm's length and shared services arrangements, which mean the council is managing fewer services directly. This saving is based on the deletion of one director and two head of service posts and replacing these with a shared Director of Planning, a two day a week project post and new head of service post. n/a

Total Savings in Strategy & Transformation	0	(94,500)	(94,500)	(94,500)	(94,500)			
Total Savings	0	(94,500)	(94,500)	(94,500)	(94,500)			
Report Total	408,000	191,000	39,000	140,000	111,000			

2016/17 Budget - Capital

Page 1 of 1

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Strategy & Transformation

C3785	Investment in dedicated Wi-fi frequency for Cambridge CCTV cameras	0	25,000	0	0	0	Paul Necus	Nil
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To procure a dedicated Wi-Fi frequency to operate CCTV cameras in Cambridge City Centre that will ensure uninterrupted communications between the cameras and the CCTV Control Room

4.4

C3786	Replacement of Redeployable CCTV camera stock	0	60,000	0	0	0	Paul Necus	Nil
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To procure six new redeployable CCTV cameras for Cambridge City Centre that are fit for purpose, replacing obsolete stock

4.4

Total Capital Bids in Strategy & Transformation

0	85,000	0	0	0
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Total Capital Bids

0	85,000	0	0	0
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Report Total

0	85,000	0	0	0
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To: Executive Councillor for Finance and Resources:
Councillor George Owers

Report by: Chief Executive, Director of Customer and Community Services, Director of Business Transformation, Director of Environment and Head of Finance

Relevant scrutiny committee: Strategy and Resources
Scrutiny Committee

Wards affected: All Wards

18 January 2016

Strategy and Resources – Finance and Resources Portfolio Revenue and Capital Budget Proposals for 2015/16 to 2019/20

Key Decision

1. Executive summary

Revenue and Capital Budgets

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget Setting Report (BSR) 2016/17 which will be considered at the following meetings:

Date	Committee	Comments
18 January 2016	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
21 January 2016	The Executive	Budget amendment may be presented
8 February 2016	Strategy & Resources	Consider any further amendments including opposition proposals
25 February 2016	Council	Approves General Fund Budget and sets Council Tax

- 1.2 The report also includes a recommendation concerning the review of charges for this portfolio.

2. Recommendations

The Executive Councillor is recommended to:

Review of Charges:

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

Revenue:

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

Capital:

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

3. Background

- 3.1 At its meeting on 22 October 2015, Council gave initial consideration to the budget prospects for the General Fund for 2016/17 and future years in the Mid-year Financial Review (MFR) 2015.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 18 January 2016 will include a review of all the factors relating to the overall financial strategy that were included in the MFR.
- 3.3 The report to The Executive on 21 January 2016 may include details of the Government's Final Settlement for 2016/17. The announcement is likely to be made shortly after the conclusion of the consultation period, which ends on 15 January 2016.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

Budget 2016/17 - Overall Revenue Budget Position

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by The Executive at its meeting on 21 January 2016.

Table 1: Overall Revenue Proposals (see Appendix B)

Savings and Bids	2016/17 Budget £	2017/18 Forecast £
Savings:		
Increased Income	(119,700)	(121,400)
Savings	(14,100)	(14,100)
Total	(133,800)	(135,500)
Bids:		
Unavoidable Revenue Pressures	-	-
Reduced Income	-	-
Bids	30,000	30,000
Total	30,000	30,000
Net (savings)/bids	(103,800)	(105,500)

External Bids	-	-
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Non-Cash Limit Items	3,283,000	759,000
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Capital

3.6 The review of the capital plan and capital approval processes, first proposed in MFR 2014, is now complete. The review addressed a number of concerns, as listed below:

- Capacity to deliver projects to time, cost and quality;
- Dependency on revenue funding; and
- Inclusion of items, such as unallocated funds, projects at an early stage of development, and items more properly treated as small enhancements or maintenance spend.

3.7 Phase 1 sought to remove projects from the plan that were not fully specified and/or not deliverable. Phase 2 proposed and implemented new processes and procedures, including a Capital Programme Board to review and approve the planning and deliverability of schemes prior to funding approval. The operation of the board and the new processes will be kept under review to ensure effectiveness.

- 3.8 All capital proposals in this BSR have been put through the new processes. Additionally, new documentation was required for schemes already on the plan but not yet started, to ensure that they are planned and deliverable. Where satisfactory documentation has not been received, it is proposed that funding is withdrawn and the schemes are moved to the Projects Under Development (PUD) list.

Table 2: Overall Capital Proposals (see Appendix C)

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Capital Deletions	-	-	-	-	-
Capital Bids	7,400,000	526,000	-	-	-
Net Capital Bids	7,400,000	526,000	-	-	-

Public Consultation

- 3.9 The Council has carried out a budget consultation exercise annually since 2002. Last year, the council used a tool called “YouChoose”, in which residents were asked to say how they would increase or decrease the budget across a range of council services, to meet the council’s savings targets and set a balanced budget. In the YouChoose exercise, residents identified a number of services where they thought the biggest savings could be made. These included planning services, managing parks and public spaces, waste collection and recycling, running community centres, street cleaning, and enforcing environmental standards.
- 3.10 This year, the council asked a group of residents and businesses to take part in workshops to look in more detail at where savings could be made from the services picked out last year. BMG Research, an independent research agency, was commissioned to conduct deliberative workshops to explore their views. Three workshops involving a representative sample of residents and local businesses were run in August and early September 2015. Participants were asked to:
- Indicate how they perceived the Council and the services it provides.
 - Give their initial views on a long-list of services (23) that make-up the five key service areas.
 - Talk about their experiences of using the services (23).
 - Discuss how they valued the services, and whether there were opportunities for doing things in a different way.
 - Vote on the importance of services where ideas for savings (8) had been put forward.
 - Give their initial views on the savings ideas.
 - Consider the ideas for savings in a bit more depth.

- 3.11 The full report, published on the Council's website, sets out the key findings from the research. Section 3 of the BSR highlights the views of participants in the workshops, outlining similarities or differences between the views of resident and business representatives.

4. Implications

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have financial, staffing, equality and poverty, environmental, procurement, consultation and communication and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

(a) **Financial Implications**

Financial implications of budget proposals are summarised in the BSR 2016/17.

(b) **Staffing Implications**

See text above.

(c) **Equality and Poverty Implications**

A consolidated Equality Impact Assessment for the Council's BSR will be submitted to The Executive at its meeting on 21 January 2016. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

(d) **Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

(e) **Procurement Implications**

Any procurement implications will be outlined in the BSR 2016/17.

(f) **Consultation and Communication Implications**

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

<https://www.cambridge.gov.uk/current-consultations>

(g) **Community Safety Implications**

Any Community Safety Implications will be outlined in the BSR 2016/17.

5. Background papers

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

- Budget Setting Report 2016/17
- Mid-year Financial Review 2015
- Individual Equality Impact Assessments

6. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Review of Fees & Charges	✓
B	Revenue Budget Proposals for this portfolio	✓
C	Capital Budget Proposals for this portfolio	✓

7. Inspection of papers

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

Authors' Names: Linda Thompson, John Harvey
Authors' Phone Numbers: 01223 - 458144, 01223 – 458143
linda.thompson@cambridge.gov.uk
Authors' Emails: john.harvey@cambridge.gov.uk

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Review of Charges

Conference/exhibition letting charges for Guildhall

DAILY LETS:-	Charges 2015/16 *	Charges 2016/17 *	% Increase
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	£127.88	£131.08	2.50%
Evening/Weekends/Bank Holidays (per hour)	£127.88	£131.08	2.50%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	£255.75	£262.14	2.50%
Evening/Weekends/Bank Holidays (per hour)	£153.44	£157.28	2.50%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	£127.88	£131.08	2.50%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	£48.72	£49.94	2.50%
Evening, after 5pm (per hour) + day rate	£48.72	£49.94	2.50%

* All charges are subject to VAT.

Review of Charges

Standard letting charges for Guildhall

DAILY LETS:-	Charges 2015/16 *	Charges 2016/17 *	% Increase
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	£79.16	£81.14	2.50%
Evening/Weekends/Bank Holidays (per hour)	£79.16	£81.14	2.50%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	£127.88	£131.08	2.50%
Evening/Weekends/Bank Holidays (per hour)	£79.16	£81.14	2.50%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	£127.88	£131.08	2.50%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	£48.72	£49.94	2.50%
Evening, after 5pm (per hour) + day rate	£48.72	£49.94	2.50%

* All charges are subject to VAT.

Finance & Resources Portfolio
Strategy & Resources Scrutiny Committee
Land Charges

Appendix A 3

Charge Type and description	Charges 2015/16	Proposed Charges 2016/17	% increase 2016/17
Land Charges			
LLC1 *	£22.00	£22.00	0.0%
CON29R **	£100.00	£100.00	0.0%
Each additional Parcel of Land **	£12.00	£12.00	0.0%
Additional Enquiries **	£12.00	£12.00	0.0%
CON290 (Optional Enquiries) **			
Q6 - Advertisements	£8.00	£8.00	0.0%
Q7 - Completion Notices	£8.00	£8.00	0.0%
Q8- Parks & Countryside	£8.00	£8.00	0.0%
Q10 - House in Multiple Occupation	£8.00	£8.00	0.0%
Q11- Noise Abatement	£8.00	£8.00	0.0%
Q12 - Urban Development Areas	£8.00	£8.00	0.0%
Q13 - Enterprise Zones	£8.00	£8.00	0.0%
Q14 - Inner Urban Development Areas	£8.00	£8.00	0.0%
Q15 - Simplified Planning Zones	£8.00	£8.00	0.0%
Q16 - Land Maintenance Notices	£8.00	£8.00	0.0%
Q17 - Mineral Consultation Areas	£4.00	£4.00	0.0%
Q18 - Hazardous Substance Consents	£8.00	£8.00	0.0%
Q19 - Environmental & Pollution Notices	£8.00	£8.00	0.0%
Q20 - Food Safety Notices	£8.00	£8.00	0.0%
Q21 - Hedgerow Notices	£8.00	£8.00	0.0%
Q22 - Common Land, Town and Village Greens	£4.00	£4.00	0.0%

Notes

HMRC are seeking to subject some Land Charges fees to the standard rate of VAT (20%) from February 2016; this has yet to be confirmed. Where VAT is to be applied to Land Charges fees, we have taken the view that we will subsume this within the current charges and not to pass on the cost to customers.

We will undertake a further review of fees and charges during 2016/17 to take into account the efficiencies/improvements made to the Land Charges service over the last 2 years and the outcome from HMRC and put forward revised fees from 1 April 2017.

* This has been classed as non-business activity by HMRC and not subject to VAT

** These charges are proposed to be subject to the standard rate of VAT

2016/17 Budget - Revenue proposals

Page 1 of 5

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Finance & Resources

B3800	Land Charges - Additional staff resource	0	30,000	30,000	0	0	Paul Boucher	Nil
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Additional staffing resource (1 FTE) for a fixed term 2 year period to support the administration of Land Charges due to increase in the volumes of requests due to buoyant market conditions. This will also help to improve turnaround times for customers. Target is 100% response within 5 days and performance for 2014/15 was 89% and current forecast outturn for 2015/16 is 75%. The post is self funding through income from Land Charges fees. (Linked to Increased Income proposal I13815.) 3.8

Total Bids in Finance & Resources

0	30,000	30,000	0	0
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Total Bids

0	30,000	30,000	0	0
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2016/17 Budget - Revenue proposals

Page 2 of 5

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Increased Income

Finance & Resources

II3762	Commercial Property Additional Income	0	(42,000)	(42,000)	(42,000)	(42,000)	Dave Prinsep	Nil
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Forecast additional net income reflecting expected rent reviews, lease renewals and lettings on the existing property portfolio. 2.9

II3763	Additional income from improvements to Gwydir Enterprise Centre	0	0	(20,000)	(20,000)	(20,000)	Dave Prinsep	Nil
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To invest in subdividing Unit 2 Gwydir Enterprise Centre to create 3 offices instead of 1 large unit to generate additional income above existing income stream. It is proposed that this be funded through the Invest for Income Fund and this scheme should deliver in excess of the target rate of return for this fund of 5%. An additional proposal for a capital bid is linked to this bid - C3761. 2.9

II3815	Land Charges - Increased Income	0	(30,000)	(30,000)	0	0	Paul Boucher	Nil
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Additional income expected over the next 2 years through a continued increase in Land Charges requests due to buoyant market conditions based on last 2 years income. This position will be reviewed on an annual basis as linked to a bid for additional fixed term resource to meet service demand over this period. (Linked to Bid proposal B3800.) 1.8

II3819	External Interest - Additional interest earned on loan to Housing Company	0	(47,700)	(29,400)	(29,400)	0	Charity Main	Nil
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The Council is setting up a wholly owned subsidiary to let 23 homes at 80% of market rents. The Council will loan the company the cost of purchasing these properties at a rate of interest above that which could be earned on cash balances. Additional interest is included for the 3 year pilot in the first instance. (Linked to capital bid C3847.) n/a

Total Increased Income in Finance & Resources

0	(119,700)	(121,400)	(91,400)	(62,000)
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Total Increased Income

0	(119,700)	(121,400)	(91,400)	(62,000)
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2016/17 Budget - Revenue proposals

Page 3 of 5

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Finance & Resources

NCL3756	Climate Change Fund	0	120,000	0	0	0	David Kidston	+H
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Additional contribution to the Climate Change Fund to support projects identified in the new Carbon Management Plan which will reduce carbon emissions by reducing energy and fuel consumption from the Council's office accommodation and operational buildings. 5.0

NCL3757	Sharing Prosperity Fund	0	100,000	100,000	0	0	David Kidston	Nil
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This bid would supplement previous contributions to the Sharing Prosperity Fund made in July 2014 and February 2015. The funding would support the delivery of projects to support residents on low incomes identified in the Anti-Poverty Strategy (APS), or new projects building successful pilot projects identified in the APS. This could include further support for credit unions, further work to tackle fuel and water poverty, and further projects to support residents experiencing mental health issues arising from debt and financial crisis. 10.0

NCL3764	Office Accommodation Strategy - earmarked reserve to fund capital	0	1,886,000	454,000	0	0	Dave Prinsep	+H
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The Office Accommodation Strategy rationalises and improves the use of property, creating revenue savings and aims to generate capital receipts. This will be combined with more flexible working practices so staff can work where they are best located. Investment in retained buildings should create a modern working environment and improve facilities for staff. Significant expenditure of circa £3.5m is anticipated. (Linked to budget proposals NCL3848 and NCL3849.) n/a

NCL3766	Re-profile Apprentice Scheme Budget between years, 2016/17 and 2017/18	0	56,000	(56,000)	0	0	Deborah Simpson	+L
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In the 2014/15 budget provision was made for a four year apprentice programme. The Council started work on developing an apprentice scheme to recruit twenty apprentices over a four year period to support people in gaining workplace skills in Cambridge. Our experience of setting up the scheme has shown that more flexibility on wage rates is required to ensure that the scheme fulfils its objectives. Therefore we have increased the wage rates to make apprenticeships more attractive for potential apprentices. There is a need to reprofile the budget, bringing forward £56,000 from the 2017/18 budget to 2016/17 to continue to deliver the programme and to facilitate a revised programme of 15 apprentices by March 2018, paid at more appropriate rates that will allow the apprenticeship scheme to better assist those from low-income families. 6.3

NCL3848	Office Accommodation Strategy - revenue including set-up	0	1,121,000	261,000	0	0	Dave Prinsep	+H
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The Office Accommodation Strategy rationalises and improves the use of property, creating revenue savings and aims to generate capital receipts. This will be combined with more flexible working practices so staff can work where they are best located. Investment in retained buildings should create a modern working environment and improve facilities for staff. Significant expenditure of circa £3.5m is anticipated. (Linked to budget proposals NCL3764 and NCL3849.)

2016/17 Budget - Revenue proposals**Page 4 of 5**

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Non-Cash Limit Items

Total Non-Cash Limit Items in Finance & Resources

0	3,283,000	759,000	0	0
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Total Non-Cash Limit Items

0	3,283,000	759,000	0	0
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2016/17 Budget - Revenue proposals

Page 5 of 5

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

Finance & Resources

S3765	Property Services - savings on staff costs	0	(4,700)	(4,700)	(4,700)	(4,700)	Dave Prinsep	Nil
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The salary and on cost budgets include an allowance for incremental progression. As most Property Services' employees have reached the top of their pay grade there is only a limited need to allow for this. The saving represents the surplus element. n/a

S3836	End of Diversity Advice Service Legal Agreement	0	(9,400)	(9,400)	(9,400)	(9,400)	Deborah Simpson	Nil
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Diversity advice is currently provided by South Cambridgeshire District Council through a Service Level Agreement equivalent to 3 days per month. This arrangement will end in March 2016 and advice will be provided from existing staff resources. n/a

Total Savings in Finance & Resources	0	(14,100)	(14,100)	(14,100)	(14,100)
Total Savings	0	(14,100)	(14,100)	(14,100)	(14,100)
Report Total	0	3,179,200	653,500	(105,500)	(76,100)

2016/17 Budget - Capital

Page 1 of 1

Reference	Item Description	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Finance & Resources

C3761	Improvements to Gwydir Enterprise Centre	0	200,000	0	0	0	Dave Prinsep	Nil
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To invest in subdividing Unit 2 Gwydir Enterprise Centre to create 3 office units instead of 1 large unit to generate an additional income stream above existing. It is proposed that this be funded through the Invest for Income Fund and this scheme should deliver in excess of the target rate of return for this fund of 5%. An additional proposal for additional income is linked to this capital bid. (Linked to Increased Income proposal I13763.)

2.9

C3803	Commercial Property Improvement Programme 2016/17 (Dales Brewery)	0	143,000	0	0	0	Will Barfield	+L
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This proposal is to seek funding for major re-roofing works and improvements to the Dales Brewery site, which is a significant property within the Council's commercial portfolio. The works have been identified from recent condition surveys and are essential in order to maintain lettings, improve income streams and ensure compliance with statutory requirements. These works would previously have been funded from the commercial property repairs and renewals fund and capital bids. This is connected to the project listed on the Projects Under Development List for these works.

2.9

C3808	Guildhall Re-roofing Works	0	183,000	0	0	0	Will Barfield	Nil
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New roof coverings and associated works to the large flat roof area (including roofing over lift shaft and tank room) above the Market Square side elevation of the Guildhall and the roof to the three-storey part of the building on the Peas Hill side.

2.9

C3847	General Fund Property Acquisition for Housing Company	7,400,000	0	0	0	0	Alan Carter	+M
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Loan to wholly owned subsidiary company for the purchase of 23 properties at Aylesborough Close and Water Lane for rental at intermediate market rent. Approval given at Council in July 2015. (Linked to Increased Income proposal I13819.)

8.1

Total Capital Bids in Finance & Resources	7,400,000	526,000	0	0	0			
Total Capital Bids	7,400,000	526,000	0	0	0			
Report Total	7,400,000	526,000	0	0	0			

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To: The Executive Councillor for Finance & Resources:
Councillor George Owers
Report by: Caroline Ryba – Head of Finance & S151 Officer
Relevant scrutiny committee: Strategy & Resources
18/01/2016
Scrutiny Committee
Wards affected: All Wards

ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT REPORT 2016/17 TO 2018/19

Key Decision

1. Executive summary

- 1.1 The Council is required by regulations issued under the Local Government Act 2003, to produce an Annual Treasury Management Strategy Report.
- 1.2 The Council has also adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2011).
- 1.3 The Code requires as a minimum, receipt by full Council of an Annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year.
- 1.4 This Treasury Management Strategy Statement Report has been prepared in accordance with CIPFA's Code of Practice on Treasury Management and covers the following:-
 - The Council's capital expenditure plans (prudential indicators):-
 - A statement of the Council's borrowing strategy;
 - The Annual Borrowing and Minimum Revenue Provision Statements;
 - The Treasury Management Strategy Statement and Annual Investment Strategy for 2016/17; and;
 - An update on interest rate and economic forecasts.

- 1.5 In line with the Code of Practice, all treasury management reports have been presented to both Strategy & Resources Scrutiny Committee and full Council.

2. Recommendations

- 2.1 The Executive Councillor is asked to recommend to Council the Annual Borrowing Statement at paragraph 4, the Council's Minimum Revenue Provision (MRP) Policy at paragraph 5 and the Council's Annual Investment Strategy as contained within paragraphs 8 & 9.
- 2.2 Following a recent review, the Executive Councillor is asked to recommend to Council an amendment to the counterparty list to include Enhanced Cash Funds. A limit of £5m is recommended and has been updated within Appendix A, as follows

Name	Recommended Limit (£)
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/V1)	5m (in each fund)

- 2.3 The Executive Councillor is also asked to recommend to Council changes to the estimated Prudential & Treasury Indicators for 2015/16 to 2018/19, inclusive, as set out in Appendix C.

3. Background

3.1 Treasury Management Activities

The Council is required to comply with CIPFA Prudential Code (May 2013 edition) and the CIPFA Treasury Management Code of Practice (Revised November 2011). The Council is required to set prudential and treasury indicators, including an authorised limit for borrowing, for a three year period and should ensure that its capital plans are affordable, prudent and sustainable. The Council also follows DCLG Investment Guidance as issued on 11th March 2010.

- 3.2 The Council is currently supported in its treasury management functions by specialist advisors who are Capita Asset Services. Capita's services include the provision of advice to the Council on developments and best practice in this area and provide information on the creditworthiness of potential counterparties, deposit and borrowing interest rates and the economy.

4. Borrowing Policy Statement

- 4.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1st April 2004.
- 4.2 At present the only debt held by the authority relates to the twenty loans from the PWLB for self-financing the HRA taken out in 2012 totalling £213,572,000.
- 4.3 The Council does not currently anticipate any new external borrowing for the period 2016/17 to 2018/19, inclusive.
- 4.4 In the event that external borrowing is undertaken the Council is able as an eligible local authority to access funds at the PWLB Certainty Rate (a 0.20% discount on loans) until 31st October 2016.
- 4.5 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment 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.

5. Minimum Revenue Provision (MRP) Policy Statement

- 5.1 Minimum Revenue Provision (MRP) is the revenue charge that the Council is required to make for the repayment of debt, as measured by the underlying need to borrow, rather than actual debt. The underlying debt is needed to finance capital expenditure which has not been fully financed by revenue or capital resources. As capital expenditure is generally expenditure on assets which have a life expectancy of over one year it is prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure.
- 5.2 The Local Authorities (Capital Finance and Accounting) regulations require local authorities to calculate for the financial year an amount of MRP which is considered to be 'prudent'.
- 5.3 There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.

- 5.4 The Housing Revenue Account share of the CFR is not subject to an MRP charge.
- 5.5 There is no requirement to make a MRP charge on an asset until the financial year after that asset becomes operational.
- 5.6 The Government has issued guidance on the calculation of MRP. The Council is required to have regard to the guidance based on the underlying principle that the provision should be linked to the life of the assets for which the borrowing is required.
- 5.7 However, the guidance is clear that differing approaches can be considered as long as the resulting provision is prudent.
- 5.8 The Council has agreed to make a loan to a company (which is classed as capital expenditure) to enable it to let intermediate rent properties. This will be financed from internal borrowing.
- 5.9 As this loan is to a wholly owned subsidiary company, is secured on assets and there is a plan and evidence that there is an ability to repay the loan at the end of the short 3 year pilot period, no MRP will be set aside. However, to ensure that this policy is prudent, the Council will review this loan annually and at the end of the pilot period if the company continues and the loan is renegotiated. Where there is evidence which suggests that the full amount of the loan may not be repaid, it will be necessary to reassess the need to commence MRP to recover the impaired amounts from revenue.
- 5.10 The Council has agreed to finance an element of the capital cost of a new community centre at Clay Farm from internal borrowing. This element will in effect be repaid over the next 15 years (with interest) from receipts of rental incomes and subsidy from the site developer and a tenant. As there are sufficient revenues to repay the capital costs no MRP will be set aside.

6. The Council's Capital Expenditure and Financing 2015/16 to 2018/19

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves etc.), which has no resultant impact on the Council's borrowing need; or;

- If insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.

6.1 Details of capital expenditure forms one of the required prudential indicators. The table below shows the proposed capital expenditure and how it will be financed. It also includes any re-phasing of 2014-15 budgets 2015/16 and is in line with the agreed Capital Plan.

	2015/16 Current Budget £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
General Fund Capital Expenditure	41,891	4,361	1,880	1,301
HRA Capital Expenditure	36,099	36,526	18,455	8,510
Total Capital Expenditure	77,990	40,887	20,335	9,811
Resourced by:				
• Capital receipts	-7,678	-6,189	-2,349	-532
• Other contributions	-61,007	-34,698	-17,986	-9,279
Total available resources for financing capital expenditure	-68,685	-40,887	-20,335	-9,811
Financed from cash balances	9,305	0	0	0

7. The Council's Prudential and Treasury Management Indicators

7.1 The table below shows the Capital Financing Requirement (CFR), which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Capital Financing Requirement & Cumulative External Borrowing	2015/16 Probable Outturn £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
General Fund Capital Financing Requirement	10,569	10,569	10,569	10,569
HRA Capital Financing Requirement	214,748	214,748	214,748	214,748
Total Capital Financing Requirement	225,317	225,317	225,317	225,317
Movement in the Capital Financing Requirement	9,305	0	0	0
Estimated External Gross Debt/Borrowing (Including HRA Reform)	213,572	213,572	213,572	213,572
Authorised Limit for External Debt	250,000	250,000	250,000	250,000
Operational Boundary for External Debt	225,317	225,317	225,317	225,317

7.2 During the above financial years the Council will operate within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy Statement. The anticipated Prudential & Treasury indicators are shown in Appendix C.

8. Annual Investment Strategy Statement

8.1 Introduction

The Council manages its deposits in-house and uses Capita as its independent Treasury Adviser. The Council recognises that responsibility for treasury management activities remains with the organisation. The Council will ensure that the terms of Capita's appointment are properly agreed and documented and regularly reviewed.

The Council's deposit priorities are (and in this order):-

1. The **Security** of capital;
2. The **Liquidity** of deposits; and;
3. The **Yield** or return on its deposits.

The Council takes a cautious approach within its Treasury Management Strategy. However, in order to ensure that the Council invests its funds in the most appropriate way, the Strategy is regularly reviewed taking into account the information available from Capita and wider developments.

- 8.2 The Council added Money Market Funds to its list of approved counterparties in 2013. These funds have enabled the Council to earn better rates of interest on overnight monies than in bank deposit accounts. The Council does not currently include Enhanced Money Market Funds on its list of approved counterparties. These are pooled investment vehicles which achieve a better rate of return than a traditional money market fund, particularly for periods over 3 months. These funds are all denominated in sterling and can include a number of instruments including government gilts, corporate bonds, government guaranteed bonds, supranational bonds and covered (secured) bonds.
- 8.3 These funds offer diversification from traditional bank deposits and enhanced yields as they have a longer weighted average maturity (the average time to maturity of the underlying bonds and gilts). Liquidity of these funds is good, typically allowing investors to receive proceeds from any sale of units 2 to 3 days after the trade date.
- 8.4 The Council's existing money market funds are valued on a constant net asset value basis, so the capital value does not fluctuate. Enhanced Cash Funds are valued using Variable Net Asset Value (VNAV) – the assets are marked to market (to record a change of value in an asset to reflect its current market fair value) on a daily basis and the unit price can go up or down, although the volatility has historically been very low. The Council could choose when to sell units in a fund. As with the Council's investment in the CCLA Property Fund any units held at each financial year end would be valued and a book profit or loss recorded in surplus or deficit on available for sale assets in the Comprehensive I&E account. However, as an unrealised loss this would not be borne by the General Fund. Unlike the Property Fund there is no bid-offer spread on prices.
- 8.5 It is recommended that the most highly credit-rated, lowest volatility rated funds (as rated by the credit rating agencies) are added to the approved counterparty list with a limit of £5m for each fund. The revised detailed counterparty list with limits is shown within Appendix A.

- 8.6 It is expected that our deposits will diminish over this 3 year period, due to factors including our investment in our commercial property portfolio and a loan to the General Fund housing company.

8.7 **Creditworthiness Policy**

This Council uses the creditworthiness service provided by Capita (which is highlighted within Appendix A – Current Counterparty List) which are updated daily for the authority to use. This service uses a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard & Poor's. 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 i.e. akin to an insurance policy whereby counterparties enter into a contractual agreement; and;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The Council will not place an investment contrary to Capita's credit methodology criteria which includes a maximum duration period (except for 'smaller' Building Societies).

8.8 **Training**

The CIPFA Code requires the responsible officer to ensure that Members and Officers are adequately trained in treasury management. Training is arranged as required and is regularly reviewed.

9. **Ethical Investment Statement**

- 9.1 Subject to the Executive Councillor's decision in respect of inclusion of an ethical investment policy in relation to an earlier agenda item at this meeting it is proposed that the following statement forms part of the Council's Treasury Management Strategy:

"Cambridge City Council notes the risks to both the planet and Cambridge from climate change and the need to show leadership in advocating a fossil-free future, including its investments. Where consistent with our fiduciary responsibilities the Council will avoid direct investment in institutions with

material links to environmentally harmful activities including fossil fuels.

Cambridge City Council, in making investments through its treasury management function, fully supports the ethos of socially responsible investments. We will actively seek to communicate this support to those institutions we invest in as well as those we are considering investing in by:

- Encouraging those institutions to adopt and publicise policies on socially responsible investments;
- Requesting those institutions to apply those deposits in a socially responsible manner.

Counterparties will be advised of this statement.”

10. Interest Rates & Interest Received

10.1 Capita Asset Services is the Council’s independent treasury advisor. In support of effective forecasting the Council needs to be aware of the potential influence of interest rates on treasury management issues for the Council. Capita’s opinion on interest rates is presented at Appendix B.

10.2 Total interest and dividends of £909,000 has been received on the Council’s deposits up to 30th November 2015 (for this financial year) at an average rate of 1.14%. This exceeds the budget to date of £799,000 by £110,000 and the average actual rate achieved in 2014/15 of 0.72%.

11. Implications

(a) Financial Implications

The prudential and treasury indicators have been amended to take account of known financial activities.

(b) Staffing Implications

None.

(c) Equal & Poverty Implications

No negative impacts identified.

(d) Environmental Implications

None.

- (e) **Procurement**
None.
- (f) **Consultation and communication**
None required.
- (g) **Community Safety**
No community safety implications.

12. Background Papers

- 12.1 None were used in preparing this report.

13. Appendices

- 13.1 Appendix A – The Council’s current Counterparty list
Appendix B – Capita’s opinion on UK Forecast Interest Rates
Appendix C – Prudential and Treasury Management Indicators
Appendix D – Glossary of Terms and Abbreviations

14. Inspection of Papers

- 14.1 If you have any queries about this report please contact:

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Treasury Management Annual Investment Strategy

Current Counterparty List

The full listing of approved counterparties is shown below, showing the category under which the counterparty has been approved, the appropriate deposit limit and current duration limits. These counterparties have also been shown under Specified and Non-Specified Investments (in line with DCLG Guidance). Recommended changes shown in bold:-

Name	Council's Current Deposit Period	Category	Limit (£)
Specified Investments:-			
All UK Local Authorities	N/A	Local Authority	20m
All UK Passenger Transport Authorities	N/A	Passenger Transport Authority	20m
All UK Police Authorities	N/A	Police Authority	20m
All UK Fire Authorities	N/A	Fire Authority	20m
Debt Management Account Deposit Facility	N/A	DMADF	Unlimited
Barclays Bank Plc	Using Capita's Credit Criteria	UK Bank	20m
HSBC Bank Plc	Using Capita's Credit Criteria	UK Bank	25m
Standard Chartered Bank	Using Capita's Credit Criteria	UK Bank	20m
Bank of Scotland Plc (BoS)	Using Capita's Credit Criteria	UK Bank	20m
Lloyds TSB Bank Plc	Using Capita's Credit Criteria	UK Bank	20m
National Westminster Bank Plc (NWB)	Using Capita's Credit Criteria	UK Nationalised Bank	20m
Santander UK Plc	Using Capita's Credit Criteria	UK Bank	5m
The Royal Bank of Scotland Plc (RBS)	Using Capita's Credit Criteria	UK Nationalised Bank	20m
Other UK Banks	Using Capita's Credit Criteria	UK Banks	20m

Name	Council's Current Deposit Period	Category	Limit (£)
Members of a Banking Group (BoS Group includes Lloyds, RBS Group includes NWB)	Using Capita's Credit Criteria	UK Banks and UK Nationalised Banks	30m
Deutsche Bank	Using Capita's Credit Criteria	Non-UK Bank	5m
Svenska Handelsbanken	Using Capita's Credit Criteria	Non-UK Bank	5m
Enhanced Cash Funds (Standard & Poor's: AAf/S1, Fitch: AA/V1)	Over 3 months and up to 1 year	Financial Instrument	5m (per single counterparty)
Money Market Funds	Liquid Rolling Balance	Financial Instrument	15m (per fund)
Custodian of Funds	Requirement for Undertaking Financial Instruments	Fund Managers	Up to 15m (per single counterparty)
UK Government Treasury Bills	Up to 6 months	Financial Instrument	15m
Other Specified Investments - UK Building Societies:-			
Name	Council's Current Deposit Period	Society Asset Value (£'m) – as at 10 th Nov 2015	Limit (£)
Nationwide Building Society	1 month or in line with Capita's Credit Criteria, if longer	194,821	Assets greater than £100,000m - £20m
Yorkshire Building Society		41,779	
Coventry Building Society		30,890	
Skipton Building Society		15,336	Assets between £50,000m and £99,999m - £5m
Leeds Building Society		12,220	
Principality Building Society		7,108	Assets between £5,000m and £49,999m - £2m
West Bromwich Building Society		5,570	
Non-Specified Investments:-			
Name	Council's Current Deposit Period	Category	Limit (£)
All UK Local Authorities – longer term limit	Over 1 year and up to 5 years	Local Authority	Up to 30m (in total)

Name	Council's Current Deposit Period	Category	Limit (£)
CCLA Local Authorities' Property Fund	Minimum of 5 years	Pooled UK Property Fund	Up to 10m
Certificates of Deposit (with UK Banking Institutions)	Liquid Rolling Balance	Financial Instrument	15m (per single counterparty)
Certificates of Deposit (with UK Building Societies)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/V1)	Over 1 year and up to 5 years	Financial Instrument	5m (per single counterparty)
Supranational Bonds – AAA	Using Capita's Credit Criteria	Multi-lateral Development Bank Bond	15m
UK Government Gilts	Over 1 year & up to 30 Years	Financial Instrument	15m

Capita's Opinion on Forecast UK Interest Rates – As Currently Predicted

Introduction

The paragraphs that follow reflect the views of the Council's Treasury Management advisors (Capita) on UK Interest Rates as currently predicted.

Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) kept the bank rate at 0.50% and Quantitative Easing (QE) at £375bn during 2015/16 (to Nov 2015). Going-forward, the Council's treasury advisor, Capita, has provided the following interest rate forecasts issued on 10th November 2015:-

	Now	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Bank rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	2.00%
3 month LIBID	0.52%	0.60%	0.70%	0.80%	0.90%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	1.90%	2.00%	2.00%
6 month LIBID	0.66%	0.80%	0.90%	1.00%	1.10%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.10%	2.20%	2.20%
12 month LIBID	0.98%	1.10%	1.20%	1.30%	1.40%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.40%	2.50%	2.50%
5yr PWLB rate	2.23%	2.30%	2.40%	2.60%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.50%
10yr PWLB rate	2.88%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%
25yr PWLB rate	3.57%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%	4.40%	4.40%	4.40%
50yr PWLB rate	3.43%	3.60%	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.30%	4.30%

Capita's interest rate forecast is for the first increase in the bank rate to be in June 2016. With higher growth predictions and lower unemployment forecasts for the U.K, these are the main reasons for this change in interest rates overall.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Current 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000
PRUDENTIAL INDICATORS				
Capital expenditure				
- General Fund	41,891	4,361	1,880	1,301
- HRA	36,099	36,526	18,455	8,510
Total	77,990	40,887	20,335	9,811
Incremental impact of capital deposit decisions on:				
Band D Council Tax (City element)	0.15	0.07	0.01	0.01
Average weekly housing rent	-1.06	0.79	0.77	-0.10
Capital Financing Requirement (CFR) as at 31 March				
- General Fund	10,569	10,569	10,569	10,569
- HRA	214,748	214,748	214,748	214,748
Total	225,317	225,317	225,317	225,317
Change in the CFR	9,305	0	0	0
Deposits at 31 March	99,400	81,600	81,400	102,200
External Gross Debt	213,572	213,572	213,572	213,572
Ratio of financing costs to net revenue stream				
-General Fund	-3.15%	-5.62%	-7.70%	-11.80%
-HRA	17.52%	17.54%	13.48%	11.10%
Total	14.37%	11.92%	5.78%	-0.70%

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Current 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000
TREASURY INDICATORS				
Authorised limit				
for borrowing	250,000	250,000	250,000	250,000
for other long term liabilities	0	0	0	0
Total	250,000	250,000	250,000	250,000
HRA Debt Limit	230,839	230,839	230,839	230,839
Operational boundary				
for borrowing	225,317	225,317	225,317	225,317
for other long term liabilities	0	0	0	0
Total	225,317	225,317	225,317	225,317
Upper limit for total principal sums deposited for over 364 days	40,000	40,000	40,000	40,000
Upper limit for fixed & variable interest rate exposure				
Net interest on fixed rate borrowing/deposits	6,610	6,627	6,744	6,744
Net interest on variable rate borrowing/deposits	-23	-23	-23	-23
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit	
10 years and above (PWL borrowing for HRA Reform)		100%	100%	

Treasury Management – Glossary of Terms and Abbreviations

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day to day items including employees' pay, premises costs and supplies and services)
Capital Financing Requirement	A measure of the Council's underlying borrowing need i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources
Certificates of Deposit (CDs)	Low risk certificates issued by banks which offer a higher rate of return
CIPFA	Chartered Institute of Public Finance and Accountancy
Corporate Bonds	Financial instruments issued by corporations
Counter-parties	Financial Institutions with which funds may be placed
Credit Risk	Risk of borrower defaulting on any type of debt by failing to make payments which it is obligated to do
DCLG	Department for Communities & Local Government
Enhanced Cash Funds	Higher yielding funds typically for investments exceeding 3 months
Eurocurrency	Currency deposited by national governments or corporations in banks outside of their home market
External Gross Debt	Long-term liabilities including Private Finance Initiatives and Finance Leases
HRA	Housing Revenue Account - a 'ring-fenced' account for local authority housing account where a council acts as landlord

Term	Definition
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
London Interbank Offered rate (LIBOR)	A benchmark rate that some of the leading banks charge each other for short-term loans
London Interbank Bid Rate (LIBID)	The average interest rate which major banks London banks borrow Eurocurrency deposits from other banks
Liquidity	A measure of how readily available a deposit is
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods beyond 1 year
Operational Boundary	Limit which external borrowing is not normally expected to exceed
PWLB	Public Works Loans Board - an Executive Government Agency of HM Treasury from which local authorities & other prescribed bodies may borrow at favourable interest rates
Security	A measure of the creditworthiness of a counter-party
Specified Investments	Those investments identified as offering high security and liquidity. They are also sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable
Supranational Bonds	Multi-lateral Development Bank Bond
UK Government Gilts	Longer-term Government securities with maturities over 6 months and up to 30 years
UK Government Treasury Bills	Short-term securities with a maximum maturity of 6 months issued by HM Treasury
Yield	Interest, or rate of return, on an investment