



# **CAMBRIDGE** CITY COUNCIL

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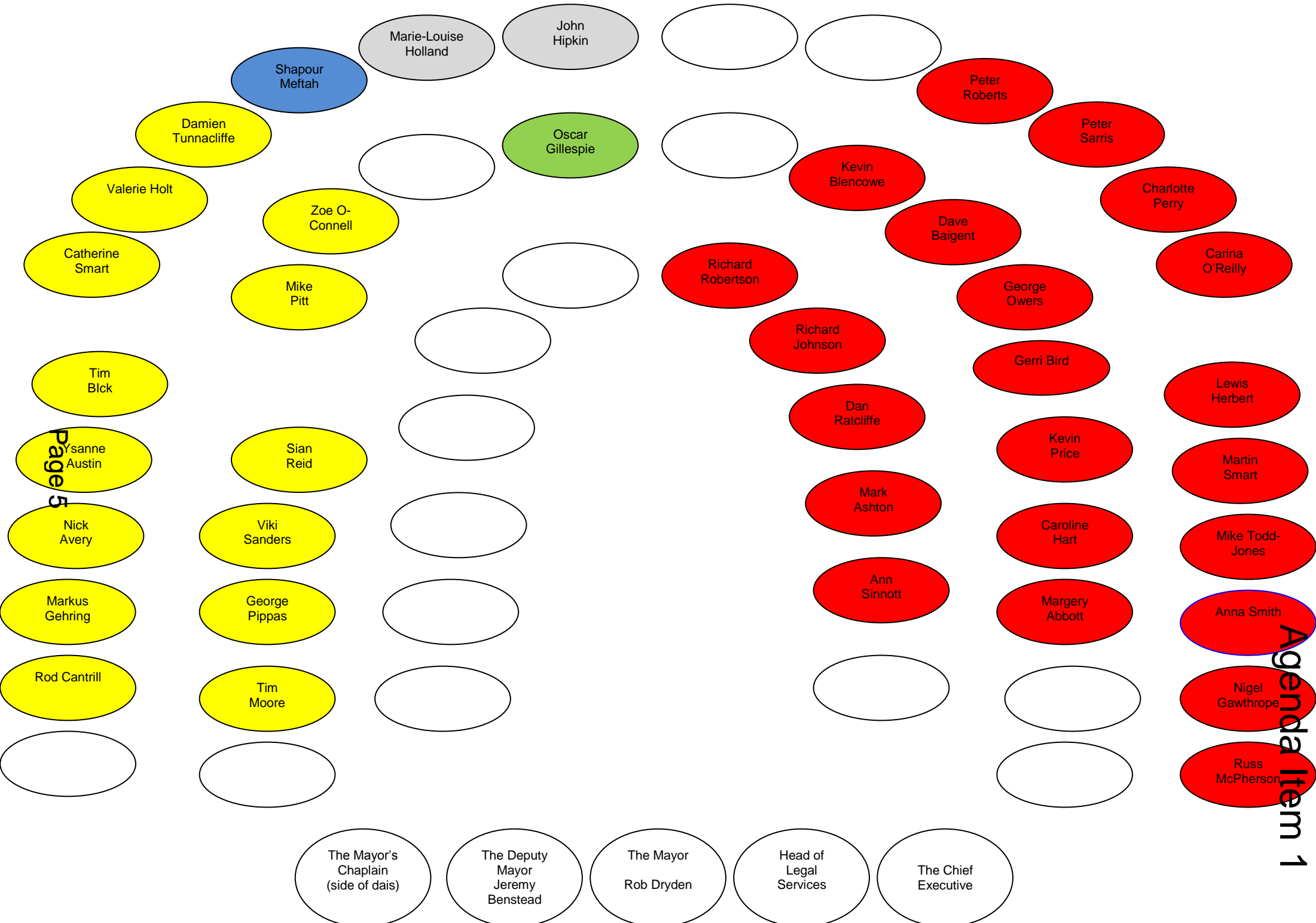
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## **Council - Meeting 25 February 2016**

### **Item 5: Budget-Setting Report (BSR) 2016/17**

#### **5(a) EXECUTIVE AMENDMENT**

#### **Background**

This report details recommended Executive amendments to the Budget-Setting Report 2016/17 since this was recommended to Council by the Executive at its meeting on 21 January 2016.

Unless otherwise stated, any references in the recommendations to sections, pages and appendices relate to Version 1 of the Budget Setting Report (BSR) 2016/17.

#### **New or updated information:**

- **Section 25 Report (Robustness of Estimates and Adequacy of Reserves), as reported to Strategy & Resources on 8 February 2016:**

This report is made under the Local Government Act 2003, which requires that the Chief Financial Officer reports to the authority, when it is making the statutory calculations required to determine its Council Tax or precept, on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves [Section 10, page 45 refers]

- **Council Tax Base 2016/17 and Council Tax Setting 2016/17:**

Updating Council Tax Base 2016/17 and Council Tax Setting 2016/17 [Appendices A(a) and A(b), pages 46 and 47 refer], following notifications from precepting authorities.

- **Final Local Government Finance Settlement:**

The Final Settlement announced by the Government on 8 February 2016 confirmed the figures in the provisional settlement for the City Council which were built into the BSR.

Under the Localism Act, local authorities are required to hold a local referendum if they propose to increase Council tax above the relevant limit set by the Secretary of State and in recent years this threshold has been set at 2%. This level has been confirmed for 2016/17, except that councils such as the City council, who charge less than £250 at band D, can increase that charge by £5 rather than 2%, which approximately amounts to a 2.8% increase. Previously this was only available to districts in the lower quartile of CT rates. The Government's core spending power calculation assumes that this higher increase is taken.

The Executive intends to raise this additional revenue to enable the funding of additional items and to protect the long-term tax base of the city in the light of a range of increased risks to our financial future and that is included in the Executive proposals below.

- **The Executive Proposes:**

**Revenue:**

The Executive intends to raise this additional income from Council Tax to enable the funding of additional items. New Budget items are attached together with the changes to the BSR tables.

**Capital - Electric Vehicle Charging points:**

The City Council are preparing a bid to Central Government for funding for electric vehicle charging points and subsidies for the purchase of Electric taxis. This bid has been supported by a government funded feasibility study. We have, in late January, since the draft BSR was published, received a draft of the study.

The indications and advice we have received in January and February have made it clear that our bid is more likely to succeed if we show genuine policy and financial commitment to support its aims. We therefore are seeking commitment to support additional rapid charging infrastructure in the form of one additional rapid charging point in each of the first four years of the programme. This project, subject to the recommendation of the Executive Councillor for Planning Policy & Transport, will be included in the Council's capital process. An outline business case (Part A) will be prepared and reviewed by the Capital Programme Board for inclusion on the Projects Under Development list.

Alongside this, other policy incentives to promote uptake of Electric Taxis including, potentially, a fee waiver policy will be considered, in support of the bid, through the normal committee process during 2016/17, subject to the completion of consultation with the taxi trade and other stakeholders.

**Recommendations:**

Council is recommended to approve the amendments outlined above, namely:

(a) **Section 25 Report:**

Insert into the BSR the Section 25 report [Section 10, page 45 refers].

(b) **Council Tax Base 2016/17 and Council Tax Setting 2016/17:**

Insert into the BSR updated Council Tax Base 2016/17 and Council Tax Setting 2016/17 [Appendices A(a) and A(b), pages 46 and 47 refer]

(c) **The Executive Amendment:**

- Revenue: Amend for the new budget items [Appendix B, pages 53 to 67 refer]



- Capital: Recommend that Executive Councillor for Planning Policy & Transport include the Electric Vehicle Charging Point project in the Council's capital process.

**and to authorise** the Section 151 officer to make necessary changes to the Budget Setting Report 2016/17, to be considered by Council at the meeting on 25 February 2016, to reflect the impact of changes for the above.

**Note that Council will be notified of any further changes for incorporation into the BSR (other than in respect of any other minor typographical amendments).**

# Appendix A(a)

## Calculation of Council Tax Base 2016/17

|  | Council Tax Bands                                   |                |                                    |                 |                |                |                |                |              |                 |
|--|---|----------------|------------------------------------|-----------------|----------------|----------------|----------------|----------------|--------------|-----------------|
|  | A<br>entitled to<br>disabled<br>relief<br>reduction | A              | B                                  | C               | D              | E              | F              | G              | H            | Total           |
| Dwellings on the valuation list  |   | 3,451          | 9,857                              | 18,652          | 9,368          | 5,356          | 3,450          | 2,958          | 463          | 53,555          |
| Dwellings treated as exempt  |   | (605)          | (536)                              | (878)           | (637)          | (413)          | (237)          | (366)          | (165)        | (3,837)         |
| Adjustments for disabled relief (i.e. reduced by one band)                                       |   | (1)            | (14)                               | (45)            | (27)           | (19)           | (8)            | (11)           | (2)          | (127)           |
|  | 1   | 14             | 45                                 | 27              | 19             | 8              | 11             | 2              | 0            | 127             |
| <b>Total chargeable dwellings</b>  | <b>1</b>  | <b>2,859</b>   | <b>9,352</b>                       | <b>17,756</b>   | <b>8,723</b>   | <b>4,932</b>   | <b>3,216</b>   | <b>2,583</b>   | <b>296</b>   | <b>49,718</b>   |
| <b>Number of dwellings included in the totals above:</b>   |   |                |                                    |                 |                |                |                |                |              |                 |
| Where there is a liability to pay 100% council tax   | 0   | 1,121          | 4,376                              | 12,234          | 6,342          | 3,738          | 2,553          | 2,152          | 260          | 32,776          |
| That are assumed to be subject to a discount or premium  | 1   | 1,738          | 4,976                              | 5,522           | 2,381          | 1,194          | 663            | 431            | 36           | 16,942          |
| <b>Dwelling Equivalents:</b>   |   |                |                                    |                 |                |                |                |                |              |                 |
| <b>Number of dwelling equivalents after applying discounts and premiums to calculate taxbase</b> | <b>0.8</b>  | <b>2,416.0</b> | <b>8,078.3</b>                     | <b>16,352.0</b> | <b>8,102.0</b> | <b>4,617.8</b> | <b>3,041.0</b> | <b>2,464.3</b> | <b>283.8</b> | <b>45,355.8</b> |
| Ratio to Band D  | 5/9   | 6/9            | 7/9                                | 8/9             | 1              | 11/9           | 13/9           | 15/9           | 18/9         |                 |
| <b>Band D equivalents</b>  | <b>0.4</b>  | <b>1,610.7</b> | <b>6,283.1</b>                     | <b>14,535.1</b> | <b>8,102.0</b> | <b>5,643.9</b> | <b>4,392.5</b> | <b>4,107.1</b> | <b>567.5</b> | <b>45,242.3</b> |
| Band D equivalent contributions for Government properties  |   |                |                                    |                 |                |                |                |                |              | 1.0             |
| Allowance for Council Tax Support  |   |                |                                    |                 |                |                |                |                |              | (4,111.8)       |
| <b>Tax base after allowance for Council Tax Support</b>  |   |                |                                    |                 |                |                |                |                |              | <b>41,131.5</b> |
|  | Add   |                | Estimated net growth in tax base   |                 |                |                |                |                |              | 810.3           |
|  | Less  |                | Adjustment for student exemptions  |                 |                |                |                |                |              | (470.6)         |
|  | Less  |                | Assumed loss on collection at 1.3% |                 |                |                |                |                |              | (539.1)         |
| <b>Total Band D Equivalents – Tax base for Council Tax and Precept Setting Purposes</b>          |   |                |                                    |                 |                |                |                |                |              | <b>40,932.1</b> |

# Appendix A(b)

## Council Tax Setting 2016/17

1. The Council calculated its Council Tax Base 2016/17 for the whole Council area as **40,932.1** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
2. The Council calculates that the Council Tax requirement for the Council's own purposes for 2016/17 is **£7,439,410**
3. That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:

- |     |                     |  |
|-----|---------------------|--|
| (a) | <b>£186,409,040</b> | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act  |
| (b) | <b>£178,969,630</b> | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act  |
| (c) | <b>£7,439,410</b>   | being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act] |
| (d) | <b>£181.75</b>      | being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.   |

4. To note that Cambridgeshire County Council, the Cambridgeshire Police and Crime Commissioner and Cambridgeshire & Peterborough Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings in the Council's area as indicated in the table below.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2016/17 for each of the categories of dwellings in the Council's area.

| <b>Dwelling Band</b> | <b>City Council<br/>£</b> | <b>County Council<br/>£</b> | <b>Police and Crime Commissioner<br/>£</b> | <b>Fire &amp; Rescue Authority<br/>£</b> | <b>Aggregate Council Tax<br/>£</b> |
|----------------------|---------------------------|-----------------------------|--|--|------------------------------------|
| A                    | 121.17                    | 778.08                      | 122.10                                     | 43.68                                    | 1,065.03                           |
| B                    | 141.36                    | 907.76                      | 142.45                                     | 50.96                                    | 1,242.53                           |
| C                    | 161.56                    | 1,037.44                    | 162.80                                     | 58.24                                    | 1,420.04                           |
| <b>D</b>             | <b>181.75</b>             | <b>1,167.12</b>             | <b>183.15</b>                              | <b>65.52</b>                             | <b>1,597.54</b>                    |
| E                    | 222.14                    | 1,426.48                    | 223.85                                     | 80.08                                    | 1,952.55                           |
| F                    | 262.53                    | 1,685.84                    | 264.55                                     | 94.64                                    | 2,307.56                           |
| G                    | 302.92                    | 1,945.20                    | 305.25                                     | 109.20                                   | 2,662.57                           |
| H                    | 363.50                    | 2,334.24                    | 366.30                                     | 131.04                                   | 3,195.08                           |

6. The Council determines that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its council tax for 2016/17 is not excessive.

## 2016/17 Budget - GF

Page 1 of 3

| Reference | Item Description | 2015/16<br>Budget<br>£ | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | Contact | Climate<br>Effect<br>& Poverty<br>Ratings |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|---|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|---|

## Bids

## Strategy &amp; Transformation

|              |   |   |        |        |        |        |                |     |
|--------------|---|---|--------|--------|--------|--------|----------------|-----|
| <b>B3859</b> | <b>Referrals to the Chronically Excluded Adults programme</b> | 0 | 33,000 | 33,000 | 33,000 | 33,000 | Lynda Kilkelly | Nil |
|--------------|---|---|--------|--------|--------|--------|----------------|-----|

*It is important for both community safety and our anti-poverty strategy that citizens of Cambridge who engage in a street-based lifestyle, and who are often at risk of extremely poor health outcomes as well as being more likely to engage in anti-social behaviour, are helped to change their lives, in conjunction with appropriate enforcement when their behaviour is inappropriate or threatening. To that end, this bid gives funding for an additional full-time position in the County Council's Chronically Excluded Adult Team (CEAT), ring-fenced to enable the City Council-led Task and Target group (the multi-agency group tackling street-based anti-social behaviour) to refer individuals responsible for anti-social behaviour in the street life community for individualised support. The scheme will be measured by reductions in arrests, cautions and reports of abusive behaviour. Initially funded for 4 years.*

8.0

|              |                        |   |       |   |   |   |                |    |
|--------------|------------------------|---|-------|---|---|---|----------------|----|
| <b>B3860</b> | <b>Speed Test kits</b> | 0 | 5,000 | 0 | 0 | 0 | Lynda Kilkelly | +L |
|--------------|------------------------|---|-------|---|---|---|----------------|----|

*Funding for two lightweight speed test kits for use by residents and community groups in the city through the Police's Community Speedwatch initiative. Residents express persistent concerns about Neighbourhood Policing consultations at area committees across the city which relate closely to the City Council's own objectives in introducing 20 mph zones in residential streets. In relation to other priorities the Police have difficulty in dedicating officers to frequent speed checks, but through Community Speed Watch they do offer to residents' groups training, the loan of equipment and follow-up warning letters to speeding motorists. The availability of equipment is an important constraint on their ability to support this, in particular with the most up-to-date, lightweight equipment.*

2.5

|  |          |               |               |               |               |               |  |  |
|--|----------|---------------|---------------|---------------|---------------|---------------|--|--|
| <b>Total Bids in Strategy &amp; Transformation</b> | <b>0</b> | <b>38,000</b> | <b>33,000</b> | <b>33,000</b> | <b>33,000</b> | <b>33,000</b> |  |  |
| <b>Total Bids</b>                                  | <b>0</b> | <b>38,000</b> | <b>33,000</b> | <b>33,000</b> | <b>33,000</b> | <b>33,000</b> |  |  |

**2016/17 Budget - GF**

| Reference | Item Description | 2015/16<br>Budget<br>£ | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | Contact | Climate<br>Effect<br>& Poverty<br>Ratings |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|---|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|---|

**Increased Income**

**Non-Committee Items**

|        |   |   |          |          |          |          |               |     |
|--------|---|---|----------|----------|----------|----------|---------------|-----|
| 113861 | <b>Council Tax Increase by £5 (rather than the original 2%)</b> | 0 | (60,580) | (61,790) | (63,030) | (64,290) | Caroline Ryba | Nil |
|--------|---|---|----------|----------|----------|----------|---------------|-----|

*Under the Localism Act, local authorities are required to hold a local referendum if they propose to increase Council tax above the relevant limit set by the Secretary of State.* n/a

*In recent years this threshold has been set at 2%. This level has been confirmed for 2016/17, except that councils such as the City council, who charge less than £250 at band D, can increase that charge by £5 rather than 2%, which approximately amounts to a 2.8% increase.*

*The Executive intends to raise this additional revenue to enable the funding of additional items and to protect the long-term tax base of the city in the light of a range of increased risks to our financial future.*

|  |          |                 |                 |                 |                 |
|--|----------|-----------------|-----------------|-----------------|-----------------|
| <b>Total Increased Income in Non-Committee Items</b> | <b>0</b> | <b>(60,580)</b> | <b>(61,790)</b> | <b>(63,030)</b> | <b>(64,290)</b> |
| <b>Total Increased Income</b>                        | <b>0</b> | <b>(60,580)</b> | <b>(61,790)</b> | <b>(63,030)</b> | <b>(64,290)</b> |

**2016/17 Budget - GF**

| Reference | Item Description | 2015/16<br>Budget<br>£ | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | Contact | Climate<br>Effect<br>& Poverty<br>Ratings |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|---|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------|---|

**Unavoidable Revenue Pressure**

**Strategy & Transformation**

|                |                            |   |   |        |        |        |                 |     |
|----------------|----------------------------|---|---|--------|--------|--------|-----------------|-----|
| <b>URP3858</b> | <b>Apprenticeship Levy</b> | 0 | 0 | 96,000 | 96,000 | 96,000 | Deborah Simpson | Nil |
|----------------|----------------------------|---|---|--------|--------|--------|-----------------|-----|

The Government's ambition is to create 3 million apprenticeships by 2020 and it is thought that the levy will allow employers to meet ambitions for improvement in training quality while growing the number of apprentices. The apprenticeship levy will come into effect in April 2017. It will be payable by employers in the UK at 0.5% of their pay bill if it is in excess of £3 million per year. Each employer will have 2 years to use their levy funding before it expires. The levy funding is to be used for direct training and assessment costs for an apprentice. The levy funding will not support apprentice wages. All employers will receive an allowance of £15,000 to offset against payment of the levy. The General Fund element of the levy is estimated to cost £96k. 6.3

|  |   |          |        |        |        |
|--|---|----------|--------|--------|--------|
| <b>Total Unavoidable Revenue Pressure in Strategy &amp; Transformation</b> | 0 | 0        | 96,000 | 96,000 | 96,000 |
| <b>Total Unavoidable Revenue Pressure</b>                                  | 0 | 0        | 96,000 | 96,000 | 96,000 |
| <b>Report Total</b>  | 0 | (22,580) | 67,210 | 65,970 | 64,710 |

# Executive Budget Amendment – BSR Replacement Tables

## Savings (BSR, page 28)

| Savings Targets  | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>MFR 2015 - Current Savings Target (new savings each year)</b> | <b>589</b>      | <b>(255)</b>    | <b>461</b>      | <b>1,713</b>    | <b>1,713</b>    |
| Previous year savings not achieved / (over achieved)             | -               | (103)           | -               | -               | -               |
| <b>Revised savings target</b>                                    | <b>589</b>      | <b>(358)</b>    | <b>461</b>      | <b>1,713</b>    | <b>1,713</b>    |
| New pressures in year  | 634             | 508             | (207)           | (394)           | -               |
| <b>Revised savings target including pressures</b>                | <b>1,223</b>    | <b>150</b>      | <b>254</b>      | <b>1,319</b>    | <b>1,713</b>    |
| New deliverable savings found in year                            | (1,326)         | 24              | 82              | 28              | -               |
| <b>Savings still to be found</b>                                 | <b>(103)</b>    | <b>174</b>      | <b>336</b>      | <b>1,347</b>    | <b>1,713</b>    |

## General Fund Projection (BSR, page 32)

| Description  | 2015/16<br>£000 | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenditure</b>   |                 |                 |                 |                 |                 |                 |
| Net service budgets  | 19,631          | 18,396          | 19,095          | 20,208          | 21,277          | 23,245          |
| Revenue Budget Proposals - MFR including removing PPF            | -               | 366             | 65              | (210)           | (310)           | (410)           |
| Revenue Budget Proposals – BSR (including increased Council Tax) | -               | (692)           | (160)           | (286)           | (651)           | (651)           |
| Capital accounting adjustments                                   | (5,422)         | (5,422)         | (5,422)         | (5,422)         | (5,422)         | (5,422)         |
| Capital expenditure financed from revenue                        | 10,726          | 1,787           | 1,798           | 1,798           | 1,786           | 1,786           |
| Contributions to earmarked funds                                 | 11,026          | 9,107           | 6,822           | 6,349           | 7,541           | 6,687           |
| Revised net savings requirement                                  | -               | 103             | (174)           | (336)           | (1,347)         | (1,713)         |
| Contribution to reserves   | -               | -               | -               | 185             | 342             | 56              |
| <b>Net spending requirement</b>                                  | <b>35,961</b>   | <b>23,645</b>   | <b>22,024</b>   | <b>22,285</b>   | <b>23,216</b>   | <b>23,578</b>   |
| <b>Funded by:</b>  |                 |                 |                 |                 |                 |                 |
| Settlement Funding Assessment (SFA)                              | (6,890)         | (5,864)         | (5,090)         | (4,670)         | (4,240)         | (4,320)         |
| Locally Retained Business Rates – Growth Element                 | (800)           | (800)           | (800)           | (800)           | (800)           | (800)           |
| Other grants from central government                             | -               | -               | -               | -               | -               | -               |
| New Homes Bonus (NHB)  | (4,963)         | (6,323)         | (7,262)         | (8,531)         | (9,694)         | (9,976)         |
| Appropriations from earmarked funds                              | (14,803)        | (549)           | (382)           | (382)           | (382)           | (382)           |
| Council Tax  | (7,060)         | (7,292)         | (7,709)         | (7,902)         | (8,100)         | (8,100)         |
| Contributions from reserves                                      | (1,446)         | (2,817)         | (781)           | -               | -               | -               |
| <b>Total funding</b>   | <b>(35,961)</b> | <b>(23,645)</b> | <b>(22,024)</b> | <b>(22,285)</b> | <b>(23,216)</b> | <b>(23,578)</b> |

## General Fund Reserves (BSR, page 40)

| Description                           | 2015/16<br>£000 | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Balance as at 1 April (b/fwd)</b>  | <b>(11,525)</b> | <b>(10,079)</b> | <b>(7,262)</b>  | <b>(6,481)</b>  | <b>(6,666)</b>  | <b>(7,008)</b>  |
| Contribution (to) / from reserves     | 1,446           | 2,817           | 781             | (185)           | (342)           | (56)            |
| <b>Balance as at 31 March (c/fwd)</b> | <b>(10,079)</b> | <b>(7,262)</b>  | <b>(6,481)</b>  | <b>(6,666)</b>  | <b>(7,008)</b>  | <b>(7,064)</b>  |



**STRATEGY AND RESOURCES SCRUTINY COMMITTEE** 8 February 2016  
5.00 - 6.15 pm

**Present:** Councillors Robertson (Chair), Sinnott (Vice-Chair), Baigent, Benstead, Bick, Hipkin, Holt, Sarris, M. Smart, C. Smart,

Leader of the Council: Councillor Lewis Herbert

Executive Councillor for Finance and Resources: Councillor George Owers

**Other Councillors present:**

Councillor Austin

Councillor O'Connell

Councillor Gillespie

**Officers:**

Chief Executive: Antoinette Jackson

Director of Customer and Community Services: Liz Bisset

Director of Environment: Simon Payne

Director of Business Transformation: Ray Ward

Head of Finance: Caroline Ryba

Committee Manager: Sarah Steed

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| <b>FOR THE INFORMATION OF THE COUNCIL</b> |
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**16/106/SR Apologies for Absence**

Apologies were received from Councillor Cantrill and Councillor C Smart attended as alternate.

**16/107/SR Declarations of Interest**

No declarations of interest were made.

**16/108/SR Public Questions**

There were no public questions.

**16/109/SR Record of Urgent Decisions taken by the Executive Councillor for Finance and Resources****4a Record of Urgent Decision: Acquisition of Cambridge Road Retail Park, Haverhill Suffolk**

The decision was noted.

**16/110/SR Amendments to the Budget Setting Report February 2016****5a Executive Amendment****Matter for decision**

The report detailed amendments to the Budget-Setting Report 2016/17 that was recommended to Council by the Executive at its meeting on the 21 January 2016.

Unless otherwise stated, any reference in the recommendations to sections, pages and appendices relate to Version 1 of the Budget Setting Report (BSR) 2016/17.

**New or updated information**

- **Section 25 Report (Robustness of Estimates and Adequacy of Reserves):**

This report is made under the Local Government Act 2003, which requires that the Chief Financial Officer report to the authority, when making the statutory calculations required to determine its Council Tax or precept, on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves [Section 10, page 61 refers].

**Information awaited:**

- **Final Local Government Finance Settlement:**

As yet, the proposals in the provisional 2016/17 settlement have not been confirmed. Further changes may be necessary once the relevant report has been laid before the House of Commons.

**Decision of the Executive Councillor for Finance and Resources**

The Executive Councillor approved the amendments:

**(a) Section 25 Report**

To insert the EXECUTIVE section 25 report into the BSR

**And authorised** the section 151 Officer to make necessary changes to the Budget Setting Report 2016/17, to be considered by Council at the meeting on the 25 February 2016, to reflect the impact of changes for the above.

Note that further changes are expected for Council, which will be notified and then incorporated into the BSR in respect of:

- Council Tax Base 2016/17 and Council Tax Setting 2016/17 [Appendices A(a) and A(b), pages 62 and 63 refer], following notifications from precepting authorities.
- Any other minor typographical amendments.

### **Reason for the Decision**

As set out in the Officer's report

### **Any alternative Options Considered and Rejected**

Not applicable

### **Scrutiny Considerations**

The Committee resolved by 6 votes to 0 to endorse the recommendations as set out in the Officer's report.

The Executive Councillor approved the recommendations.

### **Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

### **16/111/SR Liberal Democrat Amendment**

The Leader of the Liberal Democrat Group introduced the item.

Members of the Committee questioned the Liberal Democrat Councillors about the Liberal Democrat amendments. The Liberal Democrat answers are set out below.

### **City Centre & Public Places**

B0001 Tree Planting programme [5 years]

- i. The £35,000 proposal would extend and enlarge the tree planting scheme which was already in place. The scheme would provide for a tree to be given to every year 4 primary school pupil in Cambridge.
- ii. The cost of the trees was estimated at £12 per tree and £12 for logistics/delivery costs.

- iii. It was estimated that there were likely to be 1000 school children at a cost of approximately £25 per child this would utilise £25,000 of the funding proposed.
- iv. Any remaining funding could be used by the Council to plant further trees and to replace trees that had reached the end of their life.

#### Delete S3836 Parks and Open Space – Event Income

- i. It was believed that the Council had not achieved the correct formula to enable an increased number of events to take place on the Council's public open space.
- ii. It was not being stated that events should be stopped but the Council should investigate the correct approach before any additional events were agreed.

### **Strategy and Transformation**

#### B0002 Referrals to the Chronically Excluded Adult Programme [4 years]

- i. This proposal sought to address street life anti-social behaviour, some of these individuals may be homeless but some may not.
- ii. Punishment had limited effectiveness for these individuals and was not particularly sustainable where they suffered addictions or mental health problems. It was hoped that this work could build upon the work already done by the County Council and would add to the skills of the City Council so that a resourceful solution could be found rather than a punitive one.

### **Communities**

#### B0004 Support to refugees [2 years]

- i. The City Council played a substantial lead role in this area, however it was considered that further expertise was required especially for refugees who did not fall within the Government Refugee programme.
- ii. It was anticipated that the role could work with the Citizens Advice Bureau and Ethnic Community Forum.
- iii. The reason that the post was proposed for a 2 year period was because this was a pilot scheme and it would need to be reviewed to see whether the post was fit for purpose. It was considered appropriate that this could be tested after 2 years.
- iv. The remuneration for the post was discussed with senior officers and provision was proposed to enable comparable payment with posts of similar responsibility in the Council's own Community Development Team. It was anticipated that £20,000 would be earmarked for the post and £5,000 towards travel and training of volunteers. If this 0.5 FTE

funding brought forward complementary funding or time commitment from other voluntary sector sources, it would be welcome.

- v. Officers had risen to the challenge to deliver the Government's Refugee Programme which was in addition to their day jobs. However the Council did not have the resources without the proposed post to co-ordinate voluntary assistance.

### **Planning Policy & Transport**

B0005 Incentivised acquisition of electrically powered Private Hire Vehicles.

- i. This proposal was proposed to apply to purely electric vehicles.
- ii. The assumption that renewals for licences would be at 25% for purely electrical vehicles was a starting point that would need to be reviewed.
- iii. Not all private hire business was long range. One of the leading Private Hire companies in Cambridge was looking to pioneer the use of electric vehicles. Rapid charging points were starting to emerge around the Country. This proposal was linked to the proposed capital programme C0001.

B0006 Affordable Housing viability analyst

- i. Given the desire to try and maximise affordable housing provision in planning applications it was considered that a specialist in house officer was required who could advise the Council.

II0001 Raise parking charges in City Council car parks to increase revenue by 2%

- i. It was a mistake not to increase car parking charges as the Council needed to encourage individuals to use alternative forms of transport to get into the City.
- ii. When charges were frozen for services there was usually a time in the future when the charges had to be greatly increased to make up for the period of time when the charges were frozen. Therefore it was better to slightly increase the charges now than to have a freeze and to have to greatly increase them in the future.
- iii. In terms of what increase to charges were proposed it could possibly be applied to 1-3 hour parking charges at an increase of £0.10 per hour. It was anticipated that Officers would have a programme that would assist in working the detailed proposals out and any proposals would need to be consulted on. Any consultation responses would then be considered in terms of times or car parks where an increase could be applied.

X0001 Additional Planning Enforcement Officer [5 years]

- i. The number of planning applications had increased therefore enforcement work needed to keep up.

#### C0001 Electric Vehicle Rapid Charging points

- i. The Head of Finance advised from a procedural point of view that the proposal did not have a business case and, would require the approval of the Executive Councillor for Planning Policy and Transport for the project's inclusion in the council's capital process. This process would include the preparation of an outline business case (Part A) followed by the preparation of a full business case (Part B) which would be reviewed by the Capital Programme Board. Then the project would be included on either the Project Under Development list or Capital Plan as appropriate.

### **Finance & Resources**

#### NCL0001 Street Lighting Earmarked Reserve [5 years]

- i. The offer to the County Council for LED lighting was proposed to be funded from the above target general fund reserve.
- ii. The proposal regarding LED lighting arose because the County Council needed to save money and this was thought to provide a sustainable proposal.
- iii. When the street lighting contract was originally negotiated there was no discussion about any street lights being turned off.
- iv. The city had 5833 street lights and the current cost to upgrade each was £300-400. But if they were upgraded at the time Balfour Beatty undertook their 5 year rolling maintenance checks, then the cost could be expected to be significantly reduced, such that £1.5m could be regarded as a reasonable estimate of total cost.
- v. If the City Council offered funding to the County Council for the LED project, then the County's own investment outlay would be commensurately reduced against its return.
- vi. It was anticipated that any assistance to the County Council would be interest free. The County Council's financial return had not been quantified as that exercise would not be carried out unless an offer was actually made.
- vii. The County Council remained the steward of off-street lighting however they would need some assistance to enable the conversion to LED lighting to take place.

The meeting ended at 6.15 pm

**CHAIR**



To: Executive Councillor for Finance & Resources:  
Councillor George Owers

Report by: Head of Finance

Relevant scrutiny committee: **Council** **25 February 2016**

Wards affected: All Wards

## LIBERAL DEMOCRAT GROUP AMENDMENT TO:

### Budget-Setting Report (BSR) 2016/17

*(This overall amendment updates and replaces the amendment presented to Strategy & Resources Scrutiny Committee on 8 February 2016, further changes being shown thus)*

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#### Key Decision

#### Foreword to the Liberal Democrat Group Amendment

We support the continuation of certain key strategies underpinning the BSR which were started under our own leadership of the council: specifically for the sharing of back office and transactional services with other councils, closer working across Greater Cambridge on planning and transport strategy and the review of the council's own accommodation requirements. We are pleased to see the fruits of these start to emerge.

We are also happy that over the past year, the administration has responded to our call for the provision of sub-market housing on council land, funded from the Council's general fund.

***Despite the recent acceptance of several more of our proposals we consider that the Labour administration's budget still shows the signs of short term thinking and inattention to many of the key issues and concerns of the city. Our amendment seeks to redress more of this.***

We regard it as surprising that no overall annual uplift in car parking charges is proposed for the first time in over 10 years. This is in conflict with local transport strategies to discourage private traffic within the city - especially at a time when demand for car parks is buoyant. It also sits oddly with the administration's complaints about reduction of income from government.

We support the objective of maintaining overnight street lighting in the city and of working with the county council to achieve this. But we believe that it would be a much more financially and environmentally sustainable solution to upgrade the street lighting to LED bulbs, representing a 40-50% saving in cost and energy. Such an approach could keep the lights on and avoid the open-ended revenue subsidy currently proposed.

We oppose, and aim to prevent any repeat of the recent investment of substantial city council tax payers' funds well outside the city, such as the recent purchase of a B&Q site

at Haverhill. Intrinsic benefit to city residents as well as financial return should be achieved by investing within the city itself, for example through more much-needed affordable housing.

Our budget proposals not only reflect these concerns, but they strengthen the Council's overall revenue position and maintain reserves above their target level across the 5-year planning period.

They also enable the Council to address a series of other needs, clearly expressed by residents: for cleaner air, more greening of the environment, increased attention to road safety, humane measures to control street-based anti-social behaviour, volunteer involvement in helping refugees, a stronger response to developers who try to escape affordable housing obligations and those who fail to deliver on their approved plans and conditions.

**Tim Bick**

**Leader, Liberal Democrat Group**

## **1. Executive summary**

1.1 This report sets out amendments proposed by the Lib Dem Group to the overall set of budget proposals which were agreed by the Executive at its meeting on 21 January 2016, for recommendation to Council on 25 February 2016, subject to any Executive Amendment agreed by The Leader at this committee following the publication of the Final Settlement.

1.2 The Lib Dem Group budget amendment:

- Ensures direct benefit for the residents of the city is coupled with financial return when funds are invested, and that the £7m investment in Haverhill's B&Q site is not repeated;
- Maintains the transport priority of encouraging use of public transport within the city by increasing overall car parking charges by 2%;
- Reduces energy consumption and costs **and** keeps the night-time streetlights on, by offering the County Council to split the cost of upgrading streetlights in the city to LED;
- Continues and expands tree planting in the city to start to meet the recommended increase in the city's tree cover;
- Provides resources for more humane and sustainable solutions to anti-social behaviour from within the 'streetlife' community;
- Addresses road safety concerns by funding additional lightweight speed test kits for use in the city by residents' groups through the Police's Community Speedwatch scheme;
- Reinforces a warm welcome for refugees coming to the city, by establishing a co-ordination point for offers of voluntary help and a source of practical specialist advice to refugees;



- Seeks improvement in air quality by speeding up the adoption of electric vehicles as taxis in the city through the introduction of financial incentives and new Rapid Charging points;
- Safeguards the supply of affordable homes by strengthening the Council's ability to challenge developers who claim they are unviable;
- Increases capacity to hold developers to their approved plans and conditions in new construction and to enforce corrections where necessary;
- Defers the provision for income from increased events on public open spaces, until public confidence has been restored about excessive commercialisation and physical damage.

## 2. Recommendations

2.1 Changes to recommendations are highlighted *in italics*, *changes from the first circulation are highlighted in grey*

Recommendations of the Executive to this Council, as agreed at their meeting on 21 January 2016, subject to any Executive Amendment agreed by The Leader at this committee following the publication of the Final Settlement are further amended as follows:

For the existing recommendation "2: Recommendations", add:

**General Fund Revenue Budgets: [Section 5, Page 28 refers] add:**

- *Together with the changes in the attached Lib Dem Budget Amendment to Appendices [B a-d]*
- *That the Council notes and welcomes the agreement by the Executive to Lib Dem budget amendment items B0002 and B0003*
- *Recommend to the Licensing Committee that the Council waives private hire licence fees in respect of electrically powered vehicles (EPV) for five years for both new and licence renewals up to 31 March 2021, to cover all such new EPV licences for a period of 5 years, acknowledging that any shortfall in income so created within the Public Control account will be met from the General Fund (Budget proposal B0005 refers)*
- *Call upon the Executive to increase parking charges by such individual sums as to achieve an increase of 2% overall in car parking income (Budget proposal I10001 refers)*

**Capital: [Section 7, page 33 refers]**

- For the existing recommendation 2 f) After "Agree any recommendations to the Executive add *"together with the changes in the attached Lib Dem Budget Budget Amendment to Appendix [D(a)]", specifically to recommend that Executive Councillor for Planning Policy & Transport to include this project in the Council's capital process.*

- For the existing recommendation 2 g) After “Agree the revised Capital Plan add **“together with the changes in the attached Lib Dem Budget Amendment to Appendix [D(a)]”**, subject to the Executive Councillor for Planning Policy & Transport’s decision as above

#### **Earmarked Reserves [Section 4, Page 19 and Section 5, Page 31 refers]**

- **To amend the existing remit for the Invest for Income Fund and to add a new earmarked reserve for street lighting as detailed in Annex 1 attached**

#### **Equality Impact Assessment**

- **Append Lib Dem Budget Amendment Appendix F Equality Impact Assessment to the existing Equality Impact Assessment**

### **3. Council Tax**

3.1 No changes are being proposed by the Lib Dem Group.

### **4. Capital**

The Lib Dem Group are proposing items identified **“Lib Dem Budget Amendment to [D(a) Capital proposals]** and also to **“seek the recommendation of the Executive Councillor for Planning Policy & Transport for this project's inclusion into the Council's capital process i.e. preparation of an outline business case (Part A), preparation of a full business case (Part B), both reviewed by the Capital Programme Board and inclusion on either the Projects Under Development list or Capital Plan, as appropriate”**

### **5. 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**

The financial implications are outlined in the Budget Setting Report 2016/17, **as amended by [Lib Dem Budget Amendment]**

#### **(b) Staffing Implications**

See text above

(c) **Equality and Poverty Implications**

A consolidated Equality Impact Assessment is included at Appendix F in the attached Budget Setting Report 2016/17, **as amended by [Lib Dem Budget Amendment]**

(d) **Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals.

(e) **Procurement Implications**

Any procurement implications will be outlined in the Budget Setting Report 2016/17, **as amended by [Lib Dem Budget Amendment]**

(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 Budget Setting Report 2016/17, **as amended by [Lib Dem Budget Amendment]**

(h) **Section 25 Report**

These budget amendments would not require any substantive changes to the existing Section 10 – Section 25 Report.

There are three types of amendment:-

- General Fund (GF) revenue amendments – various spending proposals are matched in total or slightly exceeded by a proposed increase in parking charges.

It should be noted that changes to parking charges are subject to a decision by the Executive Councillor for Planning Policy and Transport. If this is forthcoming, the revenue spending proposals are affordable and overall the proposals have a small positive impact on general fund reserves. Total parking income may, however, be affected by general economic conditions, as noted in the BSR, Appendix C – Sensitivity Analysis.

- Spending proposal funded from New Homes Bonus (NHB) – planning enforcement officer, five year appointment.

Considerable uncertainty exists over the future of NHB funding. This is subject to consultation, but significant reductions in funding levels are expected. The assumption is that reductions will be applied first to the portion of NHB allocated to the City Deal Investment and Delivery Fund. However, there is a risk that there will be insufficient NHB funding to support this additional spending or that agreements may be made with partners which alters the spending priorities of this funding. As the annual amount is relatively small, this risk could be mitigated by funding this post from other revenue resources, thereby increasing the savings requirement by £40k.

- Creation of a Streetlighting Earmarked Reserve from the GF Reserve - **£200k** p.a. for five years.

This proposal is dependent on agreement with the County Council, and would release small amounts of revenue funding year on year. Whilst it reduces the level of GF reserves, this remains at or above target level over the planning period.

**I therefore consider, in relation to the budget resulting from the application of this amendment, that the estimates for the financial year 2016/17 to be sufficiently robust and the financial reserves up to 31 March 2017 to be adequate.**

**Caroline Ryba**  
Head of Finance and S151 Officer

## 6. Background papers

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

- Budget-Setting Report 2016/17 Version 1, February 2016 (covering 2016/17 to 2020/21) **as updated at Strategy and Resources Scrutiny Committee on 18 January 2016, the Executive meeting on 21 January 2016, the Executive Amendment at this meeting and for the [Lib Dem Amendment].**
- Mid-year Financial Review (MFR) 2015
- Individual Equality Impact Assessments

## 7. Appendices

### ***Lib Dem Budget Amendment:***

- ***Amendment to Appendix [B a-d] Revenue Budget proposals***
- ***Amendment to Appendix [D(a)] Capital Budget proposals***
- ***Appendix [F] Equality Impact Assessment (Supplement)***
- ***Annex 1 – amendment to and new remit for Earmarked Reserves***
- ***Replacement of relevant tables in the BSR***

## **8. Inspection of papers**

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

|                        |  |
|------------------------|--|
| Author's Name:         | Caroline Ryba  |
| Author's Phone Number: | 01223 - 458134   |
| Author's Email:        | <a href="mailto:caroline.ryba@cambridge.gov.uk">caroline.ryba@cambridge.gov.uk</a> |

# Lib Dem Budget Amendment to Appendix [B (a), (b), (c), (d)]

## 2016/17 Budget - Bids, Savings and External Bids- GF

| Reference | Item Description | 2016/17 Budget<br>£ | 2017/18 Budget<br>£ | 2018/19 Budget<br>£ | 2019/20 Budget<br>£ | 2020/21 Budget<br>£ | Contact / Climate rating / Poverty rating | Portfolio |
|-----------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---|-----------|
|-----------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---|-----------|

### Appendix [B(a) - Bids & reduced income]

#### Bids

|       |  |        |        |        |        |        |                 |                             |
|-------|--|--------|--------|--------|--------|--------|-----------------|-----------------------------|
| B0001 | <b>Tree Planting programme [5 years]</b> | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | Alistair Wilson | City Centre & Public Places |
|-------|--|--------|--------|--------|--------|--------|-----------------|-----------------------------|

Boosting the growth of the city's tree cover by providing funding for a five year programme for new planting. This supports the recommendations of the tree audit report commissioned by the Council in 2013, according to which an across-the-board increase on both public and private land is required to reduce air pollution, mitigate the effects of climate change and contribute to human wellbeing . The programme will promote a wider campaign seeking contributions from businesses and other city institutions. As a key element it will seek the participation of the city's primary schools in a scheme enabling a gift of a young tree to each year 4 pupil, for planting at home, a designated part of the public realm or school premises, integrated with education about the importance of trees to the environment and about techniques of planting and maintenance. This scheme will complement the Council's existing "baby tree" scheme and is estimated to have the potential to increase the city's tree stock by up to 5,000 over 5 years. Any residual resources from this scheme will be available for further Council-directed tree planting in the public realm.

+M  
**3.0**

|       |  |   |   |   |   |   |                |                           |
|-------|--|---|---|---|---|---|----------------|---------------------------|
| B0002 | <b>Referrals to the Chronically Excluded Adult programme [4 years]</b> | 0 | 0 | 0 | 0 | 0 | Lynda Kilkelly | Strategy & Transformation |
|-------|--|---|---|---|---|---|----------------|---------------------------|

Funding for an additional full-time position in the County Council's Chronically Excluded Adult Team (CEAT), ring-fenced to enable the City Council-led Task and Target group (the multi-agency group tackling street-based anti-social behaviour) to refer individuals responsible for anti-social behaviour in the street life community. This supports the existing combined City Council and Police strategy for managing street-based anti-social behaviour - in particular by strengthening its tools to rehabilitate those individuals likely to respond under the CEAT's proven methodology of developing and agreeing individualised plans through a lead worker, rather than falling back on purely punitive measures. The scheme will be measured by reductions in arrests, cautions and reports of abusive behaviour.

Nil  
**8.0**

**Proposal now incorporated into the Executive recommendation, £33k for 4 years.**

# 2016/17 Budget - Bids, Savings and External Bids- GF

| Reference | Item Description | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | 2020/21<br>Budget<br>£ | Contact /<br>Climate rating /<br>Poverty rating | Portfolio |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|

|       |                 |   |   |   |   |   |                |                           |
|-------|-----------------|---|---|---|---|---|----------------|---------------------------|
| B0003 | Speed Test Kits | 0 | 0 | 0 | 0 | 0 | Lynda Kilkelly | Strategy & Transformation |
|-------|-----------------|---|---|---|---|---|----------------|---------------------------|

Funding for two lightweight speed test kits for use by residents and community groups in the city through the Police's Community Speedwatch initiative. Residents express persistent concerns about Neighbourhood Policing consultations at area committees across the city which relate closely to the City Council's own objectives in introducing 20 mph zones in residential streets. In relation to other priorities the Police have difficulty in dedicating officers to frequent speed checks, but through Community Speed Watch they do offer to residents' groups training, the loan of equipment and follow-up warning letters to speeding motorists. The availability of equipment is an important constraint on their ability to support this, in particular with the most up-to-date, lightweight equipment.

+L  
**2.5**

***Proposal now incorporated into the Executive recommendation, £5k in 2016/17.***

|       |                               |        |        |   |   |   |   |             |
|-------|-------------------------------|--------|--------|---|---|---|---|-------------|
| B0004 | Support to Refugees [2 years] | 25,000 | 25,000 | - | - | - | . | Communities |
|-------|-------------------------------|--------|--------|---|---|---|---|-------------|

Commissioning a 0.5 FTE role within the not-for-profit sector to provide specialist advice to refugees (including on immigration procedures and benefits) and a co-ordinating role to receive and assign voluntary assistance from the Cambridge community. The world is experiencing a massive displacement of people through war, repression and climate change and the UK can expect to face increasing demands for sanctuary on humanitarian grounds. The City Council, together with other public agencies, is making an important contribution to the government's commitment to provide refuge for 20,000 occupants of Syrian camps in the Middle East and voluntary community help can enrich the welcome provided. Refugees also arrive in this country outside the government programme, often without the same level of support. The Council has indicated its general intention to do what it can to welcome them. Many offers of spontaneous voluntary support have been forthcoming which the Council is not well resourced to co-ordinate and this provision would establish a central point from which this could be done, where applicable working closely with council officers.

Nil  
**8.0**

# 2016/17 Budget - Bids, Savings and External Bids- GF

| Reference         | Item Description   | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | 2020/21<br>Budget<br>£ | Contact /<br>Climate rating /<br>Poverty rating   | Portfolio                   |
|-------------------|--|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------------------------|
| B0005             | <p><b>Incentivised acquisition of electrically powered Private Hire Vehicles</b></p> <p>Reduce to zero the annual licence fee for Private Hire Vehicles that are electrically powered, for the first 5 years from their initial licensing where that occurs between 2016/17 and 2020/21. This budget item provides a general fund subsidy to the licensing account enabling it to balance without imposing additional fees on other licence holders. The initial assumption made (to be reviewed annually) is that 25% of renewals will be for electric vehicles. The scheme adds to the incentives available to encourage switching away from diesel and petrol vehicles, seeking to achieve lower emissions and cleaner air in the city. It complements the council's current bid for government grant to incentivise the same switchover by Hackney Cab licensees, where the investment required is currently considerably greater to provide for vehicles with disabled access. The provision proposed assumes the Licensing Committee agrees to revisit its recently approved fees for 2016/17 and conduct further consultation on this change.</p> | 1,000                  | 2,000                  | 3,000                  | 4,000                  | 5,000                  | <p>Yvonne O'Donnell</p> <p style="text-align: right;">+M</p> <p style="text-align: right;"><b>2.5</b></p> | Planning Policy & Transport |
| B0006             | <p><b>Affordable Housing viability analyst</b></p> <p>Our Local Plan's requirement for 40% of new housing development to be provided as affordable homes is under threat from "viability" claims from developers. It is vital that the Council is fully resourced to challenge such claims. This provision is for the creation of a new position at Band 7 (equivalent to Principal Planning Officer) in order to generate the detailed local analysis that is necessary to counter claims based on a broad brush approach to the Cambridge market. Such an officer would also be able to contribute to CIL, Section 106 negotiations and elsewhere in the housing sector.</p>   | 52,000                 | 52,000                 | 52,000                 | 52,000                 | 52,000                 | <p>Sarah Dyer</p> <p style="text-align: right;">Nil</p> <p style="text-align: right;"><b>5.0</b></p>      | Planning Policy & Transport |
| RI0001            | <p><b>Delete S3837 Parks and Open Space – Event Income</b></p> <p>After the Ice-Rink on Parkers Piece over Christmas, there is public concern about physical damage to the city's open spaces through intensity of their use for big events at inappropriate times of year, their conflict with other equally valid uses, the implications of long recovery periods, and fears that the council is permitting abuse by excessive commercialisation. A thoroughgoing review of the criteria and process for approving events on the city's open spaces must take place prior to the kind of further expansion envisaged by S3837, which may be reconsidered only in a future year when an approach which commands public confidence has been put in place. In the meantime it is inappropriate to allow a budget provision based on ideas which have been admitted to be "speculative" to drive matters.</p>  | 10,000                 | 10,000                 | 10,000                 | 10,000                 | 10,000                 | <p>Alistair Wilson</p> <p style="text-align: right;">Nil</p> <p style="text-align: right;"><b>2.5</b></p> | City Centre & Public Places |
| <b>Total Bids</b> |  | 123,000                | 124,000                | 100,000                | 101,000                | 102,000                |   |                             |



# 2016/17 Budget - Bids, Savings and External Bids- GF

| Reference | Item Description | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | 2020/21<br>Budget<br>£ | Contact /<br>Climate rating /<br>Poverty rating | Portfolio |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|

## Appendix [B(b) - Savings / increased income]

|        |  |                  |                  |                  |                  |                  |            |                             |
|--------|--|------------------|------------------|------------------|------------------|------------------|------------|-----------------------------|
| II0001 | <p><b>Raise parking charges in City Council car parks to increase revenue by 2%</b></p> <p>It is consistent with established local transport strategy that car parking charges should encourage use of alternative sustainable modes of transport, in particular Park and Ride. If charges are not increased at least in line with charges for other council services, bringing private vehicles into the city centre becomes relatively more attractive versus the alternatives, introducing a contradictory incentive from which the council's income to support services, the city's air quality and environment and its congestion problems will all suffer. Current buoyancy of demand for the car parks underlines that the market can bear an annual increase this year. This provision assumes the Executive Councillor agreeing to revisit his decision not to increase charges and a new consultation taking place during March.</p> | (180,000)        | (180,000)        | (180,000)        | (180,000)        | (180,000)        | Paul Necus | Planning Policy & Transport |
|        |  |                  |                  |                  |                  |                  | +L         |                             |
|        |  |                  |                  |                  |                  |                  | <b>1.0</b> |                             |
|        | <b>Total Savings</b>   | <b>(180,000)</b> | <b>(180,000)</b> | <b>(180,000)</b> | <b>(180,000)</b> | <b>(180,000)</b> |            |                             |
|        | <b>Net Bids / Savings</b>  | <b>(57,000)</b>  | <b>(56,000)</b>  | <b>(80,000)</b>  | <b>(79,000)</b>  | <b>(78,000)</b>  |            |                             |

# 2016/17 Budget - Bids, Savings and External Bids- GF

| Reference | Item Description | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | 2020/21<br>Budget<br>£ | Contact /<br>Climate rating /<br>Poverty rating | Portfolio |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|

## Appendix [B(d) Non-Cash Limit]

### NCL0001 Street Lighting Earmarked Reserve [5 years]

|         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|
| 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
|---------|---------|---------|---------|---------|---------|

Caroline Ryba

Finance &  
Resources

LED lighting provides a 40-50% energy and cost saving over the bulbs chosen by the County Council at the time of undertaking its renewal of street lighting across the county. Converting street lighting in the city to LED will achieve a sustainable financial saving for the county council and remove the need for an open-ended commitment for revenue contributions from the City Council, whilst maintaining night-time lighting. It can also reduce Cambridge's carbon footprint, leading the way for others in the city who could be encouraged to follow in converting to LED. This item enables an offer to the County Council of a contribution, estimated to be 50% of the cost of converting the city's street lights to LED if undertaken over the next 5 years as part of the rolling maintenance programme for all lighting columns. An earmarked reserve for this purpose will be created, into which will be paid £200k in each of the next 5 years.

+H

**3.0**

**Any unused portion of the earmarked reserve after negotiation with the County Council will be returned to General Fund Reserves.**

The offer to the county council will be conditional on phasing out the revenue contribution to the County Council provided by B3821 over the 5 year period without detriment to agreed lighting levels, and on acceptance that the City Council's conversion contribution would be repaid in the event of any later reduction in lighting levels which had not been agreed by the City Council.

### Total Non-Cash Limit

|         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|
| 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
|---------|---------|---------|---------|---------|---------|

### All Portfolios - Net Impact of Lib Dem Amendment

|         |         |         |         |         |  |
|---------|---------|---------|---------|---------|--|
| 143,000 | 144,000 | 120,000 | 121,000 | 122,000 |  |
|---------|---------|---------|---------|---------|--|

# 2016/17 Budget - Bids, Savings and External Bids- GF

| Reference | Item Description | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | 2020/21<br>Budget<br>£ | Contact /<br>Climate rating /<br>Poverty rating | Portfolio |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|

## Appendix [B(c) - External Bids]

### Environment - Planning Policy & Transport

|              |   |               |               |               |               |               |                              |                                |
|--------------|---|---------------|---------------|---------------|---------------|---------------|------------------------------|--------------------------------|
| <b>X0001</b> | <b>Additional Planning Enforcement Officer [5 years]</b>  | 40,000        | 40,000        | 40,000        | 40,000        | 40,000        | Sarah Dyer                   | Planning Policy<br>& Transport |
|              | <p>From the planning process developers are expected to respect the terms of the plans that are approved and to discharge any conditions that are imposed. The pace of growth in Cambridge has expanded the need for follow-up and investigatory work to ensure construction matches up with permission and if necessary enforcement measures are applied. Failure to do this can impact adversely on new residents and neighbours. This proposal provides for an additional position within the planning enforcement team on a 5 year appointment to be funded from New Homes Bonus.</p> |               |               |               |               |               | <p>Nil</p> <p><b>2.0</b></p> |                                |
|              | <b>Total External Bids</b>  | <b>40,000</b> | <b>40,000</b> | <b>40,000</b> | <b>40,000</b> | <b>40,000</b> |                              |                                |

Page 3 of 6

## Lib Dem Budget Amendment to Appendix [D(a) Capital proposals]

### 2016/17 Budget - Capital Bids - GF

| Reference | Item Description | 2016/17<br>Budget<br>£ | 2017/18<br>Budget<br>£ | 2018/19<br>Budget<br>£ | 2019/20<br>Budget<br>£ | 2020/21<br>Budget<br>£ | Contact /<br>Climate rating /<br>Poverty rating | Portfolio |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|-----------|

#### Planning Policy & Transport Portfolio

##### Capital

*[subject to the recommendation of the Executive Councillor for Planning Policy & Transport for this project's inclusion into the Council's capital process i.e. preparation of an outline business case (Part A), preparation of a full business case (Part B), both reviewed by the Capital Programme Board and inclusion on either the Projects Under Development list or Capital Plan, as appropriate]*

|                        |   |               |                |          |          |          |          |                             |            |
|------------------------|---|---------------|----------------|----------|----------|----------|----------|-----------------------------|------------|
| <b>C0001</b>           | <b>Electric Vehicle Rapid Charging points</b>   | 50,000        | 100,000        | 0        | 0        | 0        | Jo Dicks | Planning Policy & Transport |            |
| Page 36                | <p>This project is for the delivery of 6 rapid charge points throughout the city over 2 years to encourage the use of electric cars for both residents and for the wider UK population. Partnership funding could be sought from a wide range of options; grant aid, commercial sponsorship or local businesses or public bodies such as Addenbrookes Hospital or the University of Cambridge.</p> <p>Rapid chargers are high-kilowatt charging points which are capable of charging a plug-in vehicle's battery considerably quicker than standard charge points - in many cases as little as 30 minutes. They have an important role to play in increasing the uptake of plug-in vehicles in the UK by helping to overcome a number of barriers to adoption. Rapid chargers can help to facilitate longer journeys by enabling drivers to quickly and conveniently top-up their vehicle's charge without being unduly delayed. They can help with the adoption of plug-in vehicles by fleets where vehicles pause at a particular location for short periods of time throughout a duty cycle and where rapid chargers would be of benefit. For example, this could support taxi or private hire fleets, through their installation in taxi ranks, allowing taxi drivers to quickly top up their battery's charge whilst waiting for their next customer. Subject to Executive Councillor approval, this project would be presented to the Capital Programme Board in March 2016. <i>[Funded from uncommitted Capital Financing]</i></p> |               |                |          |          |          |          | +M                          | <b>2.5</b> |
| <b>Portfolio Total</b> |   | <b>50,000</b> | <b>100,000</b> | <b>0</b> | <b>0</b> | <b>0</b> |          |                             |            |

**2016/17 Budget - Earmarked Funds**

Earmarked & Specific Funds (all figures in £'000s)

Add:

| Fund                 | Balance at April 2016 | Contributions     | Commitment      | Balance at 31 March 2021 |
|----------------------|-----------------------|-------------------|-----------------|--------------------------|
| Street Lighting Fund | 0.0                   | <b>1,000.0</b>    | 0.0             | <b>(1,000.0)</b>         |
| <b>Revised Total</b> | <b>(4,774.0)</b>      | <b>(47,990.0)</b> | <b>18,909.0</b> | <b>(33,855.0)</b>        |

## Lib Dem Budget Amendment – Replacement Tables

**New Homes Bonus (BSR, page 18) unchanged from original Lib Dem proposals**

| <b>New Homes Bonus</b>   | <b>2015/16<br/>£000</b> | <b>2016/17<br/>£000</b> | <b>2017/18<br/>£000</b> | <b>2018/19<br/>£000</b> | <b>2019/20<br/>£000</b> | <b>2020/21<br/>£000</b> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Confirmed NHB funding at February 2015 BSR</b>                    | <b>(4,963)</b>          | <b>(4,963)</b>          | <b>(4,176)</b>          | <b>(3,441)</b>          | <b>(2,878)</b>          | <b>(1,587)</b>          |
| <b>Add</b>   |                         |                         |                         |                         |                         |                         |
| Confirmed NHB receipts for 2016/17                                   | -                       | (1,360)                 | (1,360)                 | (1,360)                 | (1,360)                 | (1,360)                 |
| Estimated NHB receipts for 2017/18                                   | -                       | -                       | (1,726)                 | (1,726)                 | (1,726)                 | (1,726)                 |
| Estimated NHB receipts for 2018/19                                   | -                       | -                       | -                       | (2,004)                 | (2,004)                 | (2,004)                 |
| Estimated NHB receipts for 2019/20                                   | -                       | -                       | -                       | -                       | (1,726)                 | (1,726)                 |
| Estimated NHB receipts for 2020/21                                   | -                       | -                       | -                       | -                       | -                       | (1,573)                 |
| <b>Potential New Homes Bonus Total</b>                               | <b>(4,963)</b>          | <b>(6,323)</b>          | <b>(7,262)</b>          | <b>(8,531)</b>          | <b>(9,694)</b>          | <b>(9,976)</b>          |
|  |                         |                         |                         |                         |                         |                         |
| <b>Commitments against NHB</b>                                       |                         |                         |                         |                         |                         |                         |
| Funding for officers supporting growth e.g. within planning          | 785                     | 785                     | 785                     | 785                     | 785                     | 785                     |
| Replacement of Homelessness Prevention Funding subsumed into the SFA | 564                     | 564                     | 564                     | 564                     | 564                     | 564                     |
| Public Realm Officer - Growth X3782                                  | -                       | 35                      | 35                      | 35                      | -                       | -                       |
| <b>Planning Enforcement Officer</b>                                  |                         | <b>40</b>               | <b>40</b>               | <b>40</b>               | <b>40</b>               | <b>40</b>               |
| Direct revenue funding of capital                                    | 1,170                   | 1,075                   | 1,075                   | 1,075                   | 1,075                   | 1,075                   |
| Contribution to City Deal Investment and Delivery Fund               | 1,985                   | 3,162                   | 3,631                   | 4,266                   | 4,847                   | 4,988                   |
| Contribution to A14 mitigation Fund                                  | -                       | -                       | -                       | -                       | 1,500                   | -                       |
| <b>Total commitments against NHB</b>                                 | <b>4,504</b>            | <b>5,661</b>            | <b>6,130</b>            | <b>6,765</b>            | <b>8,811</b>            | <b>7,452</b>            |
|  |                         |                         |                         |                         |                         |                         |
| <b>NHB uncommitted</b>   | <b>(459)</b>            | <b>(663)</b>            | <b>(1,132)</b>          | <b>(1,767)</b>          | <b>(883)</b>            | <b>(2,524)</b>          |

## General Fund Projection (BSR, page 32)

| Description   | 2015/16<br>£000 | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenditure</b>                                    |                 |                 |                 |                 |                 |                 |
| Net service budgets                                   | 19,631          | 18,419          | 19,095          | 20,208          | 21,277          | 23,245          |
| Revenue Budget Proposals - MFR including removing PPF | -               | 366             | 65              | (210)           | (310)           | (410)           |
| Revenue Budget Proposals - BSR                        | -               | (692)           | (160)           | (286)           | (651)           | (651)           |
| <b>Impact of amended Lib Dem Budget proposals</b>     | -               | <b>(57)</b>     | <b>(56)</b>     | <b>(80)</b>     | <b>(79)</b>     | <b>(78)</b>     |
| Capital accounting adjustments                        | (5,422)         | (5,422)         | (5,422)         | (5,422)         | (5,422)         | (5,422)         |
| Capital expenditure financed from revenue             | 10,726          | 1,787           | 1,798           | 1,798           | 1,786           | 1,786           |
| Contributions to earmarked funds                      | 11,026          | <b>9,307</b>    | <b>7,022</b>    | <b>6,549</b>    | <b>7,741</b>    | <b>6,887</b>    |
| Revised net savings requirement                       | -               | 103             | (174)           | (336)           | (1,347)         | (1,713)         |
| Contribution to reserves                              | -               | -               | -               | <b>65</b>       | <b>221</b>      | -               |
| <b>Net spending requirement</b>                       | <b>35,961</b>   | <b>23,811</b>   | <b>22,168</b>   | <b>22,285</b>   | <b>23,216</b>   | <b>23,644</b>   |
|   | -               | -               | -               | -               | -               | -               |
| <b>Funded by:</b>                                     | -               | -               | -               | -               | -               | -               |
| Settlement Funding Assessment (SFA)                   | (6,890)         | (5,864)         | (5,090)         | (4,670)         | (4,240)         | (4,320)         |
| Locally Retained Business Rates – Growth Element      | (800)           | (800)           | (800)           | (800)           | (800)           | (800)           |
| Other grants from central government                  | -               | -               | -               | -               | -               | -               |
| New Homes Bonus (NHB)                                 | (4,963)         | (6,323)         | (7,262)         | (8,531)         | (9,694)         | (9,976)         |
| Appropriations from earmarked funds                   | (14,803)        | (549)           | (382)           | (382)           | (382)           | (382)           |
| Council Tax   | (7,060)         | (7,292)         | (7,709)         | (7,902)         | (8,100)         | (8,100)         |
| Contributions from reserves                           | (1,446)         | <b>(2,983)</b>  | <b>(925)</b>    | -               | -               | <b>(66)</b>     |
| <b>Total funding</b>                                  | <b>(35,961)</b> | <b>(23,811)</b> | <b>(22,168)</b> | <b>(22,285)</b> | <b>(23,216)</b> | <b>(23,644)</b> |

## Capital Funding Available (BSR, page 35) unchanged from original Lib Dem proposals

| Capital Funding Available  | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Funding available and unapplied (MFR Oct 2015)                                 | (839)           | (1,548)         | (1,548)         | (1,786)         | (1,786)         |
| Schemes removed from Capital Plan  | (291)           | -               | -               | -               | -               |
| Capital Bids requiring Funding   | 1,079           | -               | -               | -               | -               |
| <b>Lib Dem Budget Amendment:<br/>Rapid charge points for electric vehicles</b> | <b>50</b>       | <b>100</b>      |                 |                 |                 |
| <b>Net Funding Available</b>   | <b>(1)</b>      | <b>(1,448)</b>  | <b>(1,548)</b>  | <b>(1,786)</b>  | <b>(1,786)</b>  |

## General Fund Reserves (BSR, page 40)

| Description                               | 2015/16<br>£000 | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Balance as at 1 April (b/fwd)             | (11,525)        | (10,079)        | (7,096)         | (6,171)         | (6,236)         | (6,457)         |
| Contribution (to) / from reserves         | 1,446           | 2,840           | 781             | (185)           | (342)           | (56)            |
| <b>Impact of Lib Dem Budget proposals</b> |                 | <b>(57)</b>     | <b>(56)</b>     | <b>(80)</b>     | <b>(79)</b>     | <b>(78)</b>     |
| <b>Street Lighting Earmarked Reserve</b>  |                 | <b>200</b>      | <b>200</b>      | <b>200</b>      | <b>200</b>      | <b>200</b>      |
| <b>Net use of Reserves</b>                | 1,446           | <b>2,983</b>    | <b>925</b>      | <b>(65)</b>     | <b>(221)</b>    | <b>66</b>       |
| Balance as at 31 March (c/fwd)            | (10,079)        | (7,096)         | (6,171)         | (6,236)         | (6,457)         | (6,391)         |



**CIVIC AFFAIRS**

17 February 2016

6.00pm - 7.45 pm

**Present:** Councillors McPherson (Chair), Benstead (Vice-Chair), Cantrill, Holt, Robertson and Sinnott

|                                    |
|------------------------------------|
| <b>FOR ADOPTION BY THE COUNCIL</b> |
|------------------------------------|

**16/62/CIV - Pay Policy Statement 2016/17**

The committee received a report from the Head of Human Resources which set out a draft Pay Policy Statement as required under the Localism Act.

**Resolved** (unanimously)

- i. To recommend to Council the draft Pay Policy Statement 2016/17 attached as Appendix 1 to the Officers report.
- ii. Noted that a review of senior officers salaries had been undertaken in 2015 and that no change to pay levels of the Chief Executive, Directors and Heads of Service on JNC1 and JNC2 were recommended as a result of the review.
- iii. To recommend to Council to delegate authority to the Head of Human Resources to implement the new Band 10.
- iv. To note the position on the chief officer pay award and received an update at the meeting.
- v. To recommend to Council to delegate authority to the Head of Human Resources to update the Pay Policy Statement 2016/17 should a Chief Executive and / or Chief Officer pay award be agreed.

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**CIVIC AFFAIRS**

17 February 2016

6.00pm - 7.45 pm

**Present:** Councillors McPherson (Chair), Benstead (Vice-Chair), Cantrill, Holt, Robertson and Sinnott

**FOR ADOPTION BY THE COUNCIL****16/63/CIV - Constitutional changes, for Council meetings, procedure rules, amending the Constitution / Terms of Reference for Review of Local Democratic Engagement.**

The committee received a report from the Head of Legal Services which sought approval for changes to the Council Procedure Rules to better manage the time spent at council meetings, agreement to the Terms of Reference for a review of local democratic engagement and approval for the Monitoring Officer to make routine changes to the Constitution to keep it up to date.

**Resolved** (unanimously):

## Constitution changes:

- i. To recommend to Council the changes to Council Procedure Rules as set out in Appendix 1 of the officer's report.
- ii. That the Committee review the effect of these changes in Spring 2017.

## Motion on public engagement in local democracy:

- iii. To agree a member working party with terms of reference, composition and delivery timetable as set out in paragraphs 4.2 to 4.3

## Updating the Constitution

- iv. To recommend to Council the changes to the Constitution as set out in Appendix 2 to allow the Monitoring Officer to keep the Constitution Updated. The Monitoring Officer would also keep Members informed of changes to the Constitution.

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**CIVIC AFFAIRS**

17 February 2016

6.00pm - 7.45 pm

**Present:** Councillors McPherson (Chair), Benstead (Vice-Chair), Cantrill, Holt, Robertson and Sinnott

|                                    |
|------------------------------------|
| <b>FOR ADOPTION BY THE COUNCIL</b> |
|------------------------------------|

**16/64/CIV – Localism Act 2011 and Standards of Conduct: Appointment of “Independent Person” and Deputy.**

The committee received a report from the Head of Legal Services on the appointment of the Independent Person and Deputy as required under the Localism Act 2011.

**Resolved** (unanimously):

To recommend to Council to extend the appointment of Sean Brady and Robert Bennett as the Council’s Independent Person and Deputy for a term of two years until the end of February 2018.

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## **Briefing Note**

**To:** All Councillors

**From:** Joel Carré, Head of Street and Open Spaces

**Subject: Full Council (25 February 2016) - Motion 8a: Tourism Levy**

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### **“Motion 8a: Tourism Levy**

This council is working hard to deal with the significant funding reductions being administered as part of the Government’s austerity agenda which is giving rise to the current funding crisis in local government and the limits on the council's powers to control council tax and to raise revenue.

Council appreciates the contribution of tourism to our local economy and notes that major city tourism destinations such as Vancouver, New York and Venice, as well as many other cities in the United States and Europe, place a small levy on visitors.

Cambridge notes the potential of a relatively small levy of around £1-2 per night stayed to generate at least £1 - 2 million per annum - and that this scale of levy is unlikely to discourage visitors or drastically affect the hotel trade.

Council agrees in principle that Cambridge should pursue a policy that could introduce a Tourism Levy; and therefore formally agrees that a full report on the approach to introduction of a Tourism Levy should be presented to the Strategy and Resources Committee by July 2016."

### **Briefing:**

1. Local authorities in England do not currently have the power to impose a tourism levy. To introduce such a levy would require national legislation or a local voluntary agreement between relevant interested parties.

2. Camden Council is currently pursuing a campaign calling for more local spending powers and is seeking to join with other London councils to lobby for the right to impose a tourist levy.
3. Westminster, Birmingham, Brighton, Edinburgh and Cornwall councils have all considered a tourism tax in recent years but none have gone ahead with it.
4. A review of local government funding commissioned in 2007 by the last Labour government recommended a tourism tax but this was rejected by ministers.
5. Emma Thornton, CEO of the recently launched Destination Management Organisation (DMO) – Visit Cambridge and Beyond – which delivers the Council's former tourism service, expressed concern over the potential financial impact of such a levy in the early stages of the DMO's life. The financial sustainability of the DMO is dependent on securing income through: a) business membership, so there is a risk that any additional tax could deter hotels and accommodation providers from maintaining their membership of the DMO; and b) guided walks and commercial tickets sales, which are dependent on visitor numbers remaining buoyant.

22 February 2016



## **MOTION FOR FULL COUNCIL – CORPORATE TAX EVASION**

### BRIEFING NOTE

#### **BACKGROUND**

**PPN 03/14** - Cabinet Office Procurement Policy Note (PPN) 03/14 - Measures to promote tax compliance – was issued on 6 Feb 2014.

It applies to (and was mandated for) **all Central Government contracts over £5M** in value.

It is optional for other (non-central Government) public authorities (including local authorities) to choose to apply the measures in the PPN. However the £5M value threshold was set by Cabinet Office to avoid adding an additional administrative burden to lower value procurements and to smaller businesses. It should be noted that the majority of this Councils procurements are under £5M and many are with smaller suppliers.

**PUBLIC PROCURMENT REGULATIONS 2015** - In Feb 2015 the European/ OJEU Regulations were updated – known in the UK as the Public Contract Regulations 2015. Those regulations include a range of questions under the headings of discretionary exclusion (the Council may use its judgement in these cases) and mandatory exclusion (automatic exclusion), both of which include questions over compliance covering various areas of legislation, including tax law. Therefore, under the regulations the Council can disqualify a supplier from participating in a procurement process if it has not fulfilled its tax obligations under UK law.

The Public Procurement Regulations apply above the following current thresholds:-

Service and Supply contracts - £164,176

Works contracts - £4,104,394

Both schemes (PPN guidance and public contract regulations) are based upon a self-certification approach by the supplier; there is no

obligation to verify negative responses or undertake any sort of audit by the public authority.

## **General**

To date the Council has not considered applying the requirements of PPN 3/14; any consideration of this would need to take account of the potential impact it might have on lower value contracts and the consequential impact on smaller suppliers (which are both features of our current contracts portfolio). However, in principle we could apply the PPN guidance (or a version of it) to our procurements, either at the mandated £5m level or at a lower level of our choosing as most of our procurements fall underneath this level. This would require some further work:-

- To review the ‘fine print’ of the legislation and guidance in this regards and assess what existing templates and policy documents would have to be amended (for example tender templates and standard contract terms). Note the PPN does include a suggested draft for templates that should be appropriate.
- To decide where to set value thresholds if other than at the levels in the motion. The value thresholds in the motion (£80,000 for service contracts and £2M for works contracts) are not recognised as aligning with existing council procurement thresholds or those in the Public Contract Regulations 2015 (key Council thresholds are between £10,000 and £50,000 (in respect of a simple Request for Quotation process) and over £50,000 for an Invitation to tender (ITT) process).

Should it be necessary, it would be sensible to align value thresholds with recognised threshold(s) to avoid confusion within the marketplace.

## **In Summary**

The adoption of a policy of this nature will not materially affect workload or have staffing implications for the Council. If adopted it is almost impossible to calculate the real cost implications to the Council as;

- It is difficult to assess the value of bids that are either not made or are excluded as a result of the policy in comparison with compliant bids, and
- It is difficult to assess the wider value added to the economy as a whole by excluding bids from organisations that fail to comply with any such policy

The Council is already compliant with the Public Contracts Regulations 2015 and our standard templates already include the mandatory and discretionary exclusion criteria.

If members have any further questions on this matter please contact John Bridgwater on extension 8178

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Amendment to Motion:

"This council notes that:

\* Corporate tax evasion and avoidance are having a damaging impact on the world's poorest countries, to such a level that it is costing them far more than they receive in aid

\* This is costing the UK as much as £30bn a year

\* This practice also has a negative effect on small and medium-sized companies who pay more tax proportionately.

This council further notes that the UK Government has taken steps to tackle the issue of tax avoidance and evasion by issuing Procurement Policy Note 03/14 (PPN 03/14). This applies to all central government contracts worth more than £5m.

This council also notes the existence of voluntary schemes promoting tax compliance such as the Fair Tax Mark, which can serve as an independent means of verification. In early 2015 new regulations required public bodies, including councils, to ask procurement qualification questions of all companies for tenders over £173,000 for service contracts and £4m for works contracts.

However, these questions are not as detailed as the PPN 03/14.

~~This council believes that bidders for council contracts should be asked to account for their past tax records, using the standards in PPN 03/14, rather than the lower standards in the recent regulations. This council therefore calls for procurement procedures to be amended to require all companies bidding for service contracts worth more than £80,000 and for works contracts worth more than £2m to self-certify that they are fully tax-compliant in line with central government practice using the standards in 03/14, applying to contracts of the size specified above."~~

This council resolves to bring a report to Strategy and Resources committee as soon as practicable to consider whether it is prudent, justified and practical to amend its procurement procedures in such a way as to require bidders for council contracts to account for their past

tax records using the standards in PPN 03/14, and if so at what thresholds such a requirement should apply.

# Sourced

## Christian Aid's campaign guide for local councils to tackle tax dodging

### Make sure your local council doesn't ignore tax dodging overseas when it sources goods and services

Corporate tax dodging helps keep developing countries trapped in poverty. This is costing developing countries up to US\$300bn in lost revenues every year according to an International Monetary Fund Working Paper.<sup>1</sup> These funds could be used to tackle poverty, and provide essential services like healthcare, education, and investment in infrastructure.

Christian Aid's Sourced campaign will help alter corporate tax behaviour by using the financial clout of local councils to influence the behaviour of big businesses. Companies need to know that they cannot hide tax dodging – either in the UK or overseas – when they bid for large contracts from your council.

We each pay our taxes. But many companies can get away with paying very little tax on the profits they make. Let's make sure your council does not do business with tax dodgers.

**'At a time when councils are struggling with ever deeper cuts to our budgets, it makes sense that we use our spending power to favour companies that pay their taxes. After all, it is companies' and individuals' tax payments that ultimately fund council budgets. I hope that councils across the UK will agree – and adopt policies similar to Oxford City Council's.'**

Jean Fooks, Councillor for Summertown Ward, Oxford

### What does tax have to do with poverty?

Tax pays for vital services like health and education. It helps make governments more accountable to their citizens, and provides a predictable and reliable source of revenue. Consequently when multinational companies fail to pay a fair rate of tax, it is bad news for ordinary citizens – both in developing countries and in the UK.

However, a combination of global financial secrecy and unfair tax rules allow unscrupulous companies to shift their profits to tax havens (such as the Cayman Islands, the British Virgin Islands, Luxembourg and Switzerland) where taxes are low and few questions are asked.

The country where the company is actually making its money often gains little or nothing in the process. The scale of tax losses to developing countries is huge, and far higher than the amount these countries receive in aid.<sup>1</sup>

Corporate tax dodging is costing developing countries up to **US\$300bn** every year.



Corporate tax dodging costs developing countries far more than they receive in aid



### What is the Sourced campaign?

In a nutshell, Christian Aid is calling on local councils to ask a more detailed set of questions to companies with whom they do business than they are currently obliged to. If enough councils do so, this closer scrutiny will send a clear message to multinational companies that tax dodging will not be tolerated. Councils can then decide to exclude a company from the bidding process if they are not satisfied with a company's responses to these questions. **You can read the detailed questions on page 11.**

#### Did you know?

The UK Government also loses huge amounts of money from similar practices by unscrupulous companies. HMRC, the government body responsible for collecting taxes, estimated tax dodging to be in the region of £30bn in 2013. Of this, £9bn was estimated to be unpaid tax by big businesses.<sup>2</sup>

### How can councils make this change?

We want to see councillors passing our motion, ideally at a full council meeting, to support the introduction of stronger tax compliance questions into their procurement procedures. This will allow a public debate on the issues and make sure that concerns are understood across the council. We are not asking councils to boycott certain companies or to take any kind of action that would contravene councils' existing legal obligations. **See page 11 for a model motion for councils to pass.**

### Where have these questions come from?

We are calling on councils to adopt a detailed set of questions contained in a government document 'Procurement Policy Note 03/14' (**see page 11**). These questions are obligatory for central government contracts worth more than £5m.

The questions are optional for other public bodies outside central government. This means that councils have the discretion to incorporate these questions into their procurement processes if they choose to. They are also at liberty to set their own thresholds for the size of contracts to which the questions would apply. Therefore councils could set a threshold that is lower than £5m if they so wish.

### Do councils already ask questions of companies with whom they do business?

Yes – but we think these questions could be tougher. In 2015 new UK legislation was introduced requiring local councils to scrutinise the tax affairs of the companies with whom they do business in more detail than in the past – through so-called pre-qualification questions (PQQ).

However these PQQs only ask whether a company has been involved in illegal tax practices – whereas the questions we want councils to ask are more far-reaching and ask about 'incorrect' tax avoidance anywhere in the world, not just illegal practices.

The questions we want councils to ask are already obligatory for central government contracts worth over £5m.

### Have any councils passed such a motion already?

Yes. As a result of pressure from Christian Aid campaigners, Belfast City Council, and Lisburn and Castlereagh City Council have already passed motions to amend their procurement policies in line with the Procurement Policy Note 03/14 (PPN 03/14) and Oxford City Council passed a motion in December 2015 to investigate further the adoption of PPN 03/14. More councils are expected to follow soon. Richmond Council independently passed a similar motion in November 2014.

The Sourced campaign also builds on the success of Christian Aid Scotland's Nine Billion campaign which helped push the Scottish Parliament to legislate for more ethically-minded public sector buying policies in its 2014 Procurement Reform Bill.

**'Councils promote business because they recognise that it is a public good. Tax avoidance restricts the positive potential that businesses have on people. These questions bring much needed accountability to businesses and remind them that they exist for human flourishing as well as profit.'**

Nathan Anderson, Councillor on Lisburn & Castlereagh City Council, where a motion was passed in December 2015





### What's the role of my local council?

Every year, local councils in the UK spend billions buying goods and services from big companies, including multinational companies operating in developing countries. The way local authorities source these goods and services is called procurement. Your local council may use private companies to supply:

- building work
- electricity
- gas
- water
- food
- telecommunications
- IT services
- a growing number of core council services.

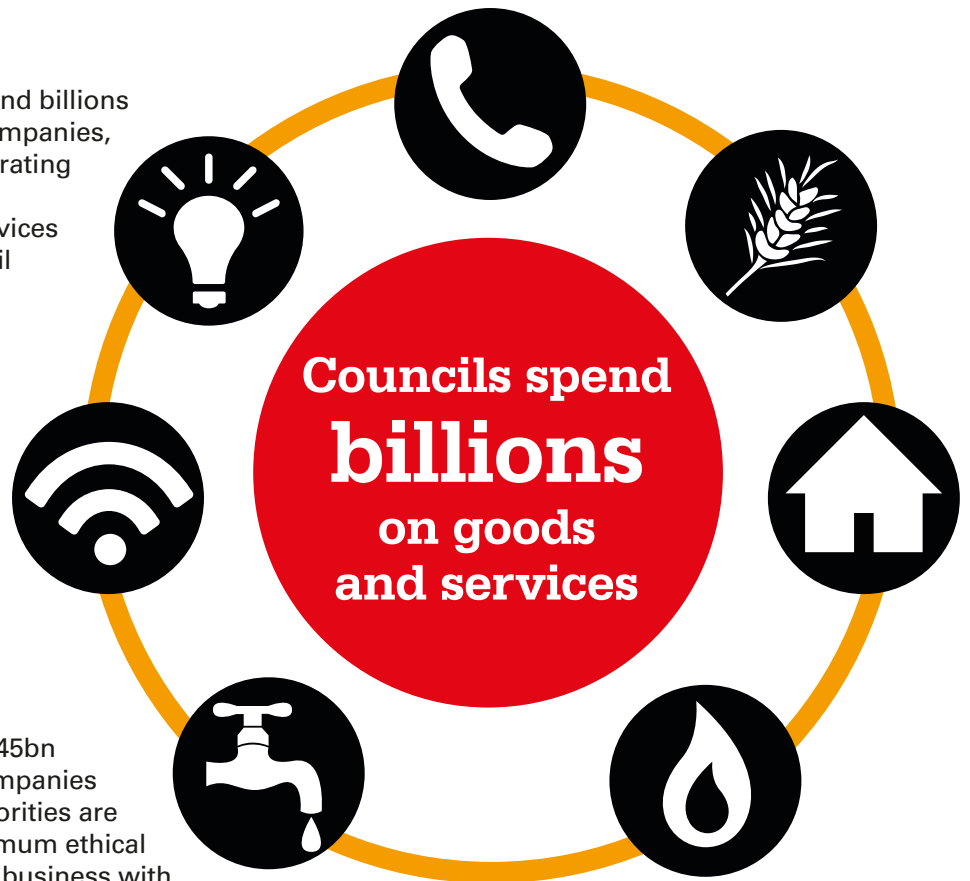
With councils spending an estimated £45bn on goods and services from private companies in 2011-12 in England alone,<sup>3</sup> local authorities are in a powerful position to insist on minimum ethical standards from the companies they do business with. Companies need to know that they cannot hide tax dodging either in the UK or overseas when they bid for large contracts from your council.

We want to see councils across the country taking proactive measures to hold companies to account for their tax practices. As a result, big companies will feel more scrutinised. Over time this will help change the whole culture of corporate tax evasion and avoidance.

Clamping down on tax dodging will not only benefit citizens in developing countries. If multinational companies paid their fair share of tax in the UK, our public finances would be less tight and it's likely that local authorities would be able to reduce the number of cuts to jobs and services.

### Did you know?

Local businesses can be undercut by multinational companies in part because multinationals frequently do not pay proportionately as much tax.



### How does the Sourced campaign fit with other Christian Aid tax justice campaigns?

Christian Aid has been campaigning for tax justice since 2008 because we see it as a key solution to tackling global poverty and inequality. We were pleased when the UK Government recently adopted Public Registers of Beneficial Ownership – information which will make it easier for tax authorities in developing countries to find out who is dodging tax and to claw back lost tax revenues, which could be used to tackle poverty.

The Sourced campaign adds a powerful new strand to our tax justice campaigning. It is a way of helping to change corporate tax behaviour through the spending power of your local council.

There has also been some brilliant Sourced campaigning on more than 37 university campuses, through Christian Aid's youth section, The Collective. As a result, both Essex University and Oxford University have agreed to incorporate tax compliance questions into their procurement procedures.

For regular updates on the campaign, visit [christianaid.org.uk/sourced](http://christianaid.org.uk/sourced) (England) or [christianaid.ie/sourced](http://christianaid.ie/sourced) (Northern Ireland).

## Zambia should be one of the richest nations in Africa

It's the seventh largest producer of copper in the world, yet more than 60% of people live below the poverty line.<sup>4</sup> Life expectancy is just 52 years old.<sup>5</sup>

### Where is the money going?

The Zambian Government estimates that it loses around US\$2bn every year because of tax dodging.<sup>6</sup>

This lost tax revenue means that the Zambian Government doesn't have the money to pay for a whole range of vital services such as healthcare and education. Our partner in the region reported that the Kabundi East Hospital only has one doctor for 45,000 people.

### But it doesn't have to be this way.

If Zambia could collect the revenue it loses every year from tax dodging, the government could invest much more in the national health budget.

**This would save lives. By helping ensure that multinational companies are held to account over tax dodging in your local area, you are helping developing countries receive what is rightfully theirs.**

'In most cases they [companies] aggressively go out of their way to do whatever they can do within the law, and sometimes outside the law, to pay as little tax as possible.'

Saviour Mwambwa, from the Centre for Trade, Policy and Development, Zambia



Elisheba Chali, a nurse at Kabundi East Hospital, says, 'There is a big problem in healthcare in Zambia. Government will is there but the resources are very few.'

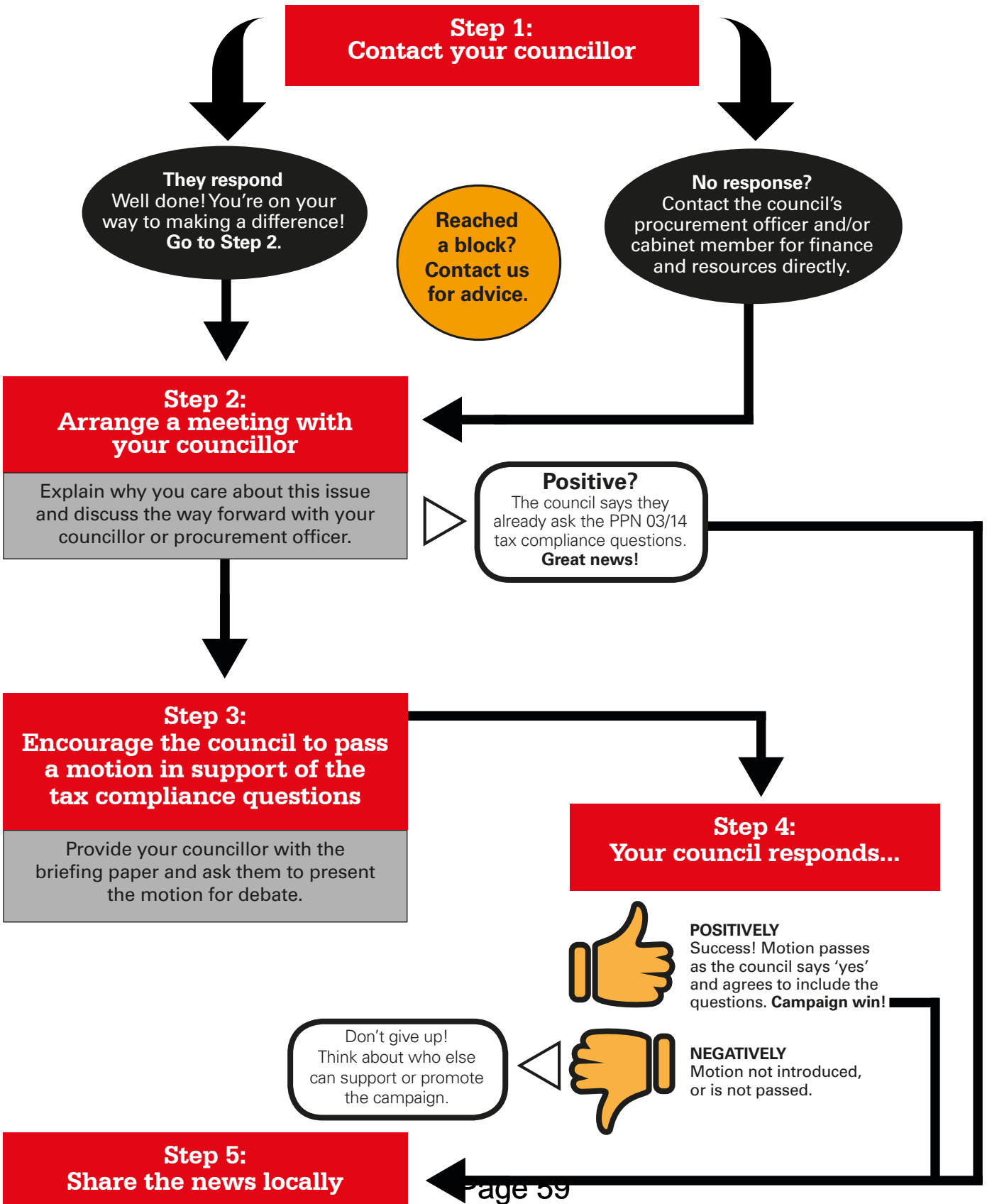


The campaign for tax justice is growing worldwide.

## The campaign at a glance

Follow this simple flowchart to understand how to encourage your council to tackle tax dodging. Some of the councils our campaigners have approached so far have said 'yes' to our campaign – but others might take a bit more persuading. Either way, we're here to support you along the way.

See pages 6-10 for a more detailed breakdown of each step of the process.



# Step-by-step guide to running the Sourced campaign

Follow our guide to make sure your local council doesn't overlook tax dodging overseas when it sources goods and services from private companies.

This campaign starts with you sending an email, but will gain momentum and make a bigger impact if a group of campaigners can get together. In a group you can share tasks and plan how to influence your councillors together. We can help put you in contact, via the Christian Aid office, with other local campaigners.

## Step 1: Contact your councillor

You can do this using Christian Aid's e-action at [christianaid.org.uk/sourced](http://christianaid.org.uk/sourced) (for England) [christianaid.ie/sourced](http://christianaid.ie/sourced) (for Northern Ireland)

Our e-action suggests the most appropriate level of local government for you to contact depending on your postcode. In England, many people are serviced by two or even three tiers of local government. For instance you could have a town or district council as well as a county council. In Northern Ireland there are 11 local government districts (LGD) – formerly district council areas (DCA). The Sourced campaign focuses on the councils with the biggest budgets and the largest contracts with private companies – county councils and large city councils, for example.

Alternatively you can write a letter to your councillor. Find their details at [writetothem.com](http://writetothem.com) or through your council website at [gov.uk/find-your-local-council](http://gov.uk/find-your-local-council) (for England), [www.nidirect.gov.uk/local-councils-in-northern-ireland](http://www.nidirect.gov.uk/local-councils-in-northern-ireland) (for Northern Ireland).

However you get in touch, we would like your councillor to read the [Christian Aid Sourced campaign briefing for local councillors and council officers](#). This explains in detail what we are calling for. We would like your councillor to then take forward your request with the councillor who deals with procurement – often this is the cabinet member for finance and resources.

In some places you may have more than one councillor per ward. In such cases we suggest you contact them all.

### An overview of local government structures and the kinds of services they buy from private companies:

**County councils** are responsible for services across the whole county. These include education, transport, planning, fire and public safety, social care, libraries

Your regional Christian Aid office is here to help you.

Email  
[campaigns@christian-aid.org](mailto:campaigns@christian-aid.org)  
or call  
020 7523 2264 (England)  
or 028 9064 8133  
(Northern Ireland).

and waste management. These are known as upper tier authorities.

**District, borough and city councils** are 'lower tier' authorities. These cover smaller areas and are responsible for services such as rubbish collection, council tax collections, housing and planning applications, although in cities like London a borough council will have a sizeable budget.

**Unitary authorities:** In some places, one tier of government provides all of the local services listed above. In some areas, a number of services, such as fire, police and transport, are provided through 'joint authorities', for example, the Greater London Authority in London.

### Is there any value in approaching town or parish councils?

These operate at a lower level. They do not procure services so there is little point in approaching them. However there might be town or parish councillors who agree to champion your request with colleagues on the local county council.

### Will my councillor agree?

Councillors' views may vary. They often want to recognise public concerns and set standards for other institutions on social justice issues. It may help to highlight which councils, listed at [christianaid.org.uk/sourced](http://christianaid.org.uk/sourced) (for England) or [christianaid.ie/sourced](http://christianaid.ie/sourced) (for Northern Ireland), have already led the way on this. **Pages 8-9 provides information on how to respond to questions raised.**

### How do councils make decisions?

Most large councils in England have a 'cabinet' that operates like the cabinet in central government, with a small group of councillors from the ruling party who make a lot of the decisions. Your councillor may suggest the motion is presented at a cabinet meeting. But we would prefer the motion to be discussed at a full council meeting to generate more public debate.

In Northern Ireland, councils may have a Policy and Resources Committee with particular responsibility for procurement.

### What if my councillor will not take up my concern?

Your second option is to email or write to the cabinet member for finance and resources directly, again attaching the [Christian Aid Sourced campaign briefing for local councillors and council officers](#). Your local council website should have the name and email address for this person.

In your letter or email, explain that you would like the council to introduce the tax compliance questions in PPN 03/14 into its procurement process.

### Still no luck?

Get in touch with the council's procurement officer – the staff member who leads on this for the council day-to-day. Find him/her listed on the council website, or ring your council and ask who you can contact to find out about the council's procurement procedures.

## TIP:

Is there an election coming up?  
Ask your existing and prospective councillors whether they would support the campaign.

## Step 2: Ask for a meeting

This is a chance to explain to your councillor, or council procurement officer, why the campaign is important to you, and to discuss the best way forward. If your councillor has already agreed with your request, you may not need to meet them but often it will be useful to discuss the issue in person.

The cabinet member can then advise whether a motion should be presented to the full council assembly or whether it could be introduced through a cabinet report. It will depend on the individual council and its procedures.

Take along the [Christian Aid Sourced campaign briefing for local councillors and council officers](#).

**TIP: Remember that you don't need to be an expert on the ins and outs of procurement or taxation. Just tell your councillors why this is important to you and to people around the world whose tax authorities are being deprived of the revenues they need to tackle poverty. If the councillors or council officers raise a question you cannot answer, tell them you will find out and get back to them.**

**Got a tricky question?** For more information about tax, procurement or the consortium bodies used by your local council, call 020 7523 2264 (England) or 028 9064 8133 (Northern Ireland) or email [campaigns@christian-aid.org](mailto:campaigns@christian-aid.org)

## Questions to ask:

1. Who in the council makes decisions about the companies that will be awarded contracts to run council services?
2. Is the council aware of the new tax compliance questions issued by the Cabinet Office [on page 11 and in the briefing] which all central government departments are now obliged to address to companies seeking large government contracts and which are optional for other public bodies?
3. Do you think the council would be willing to incorporate these questions (if it hasn't already) through a motion or resolution?
4. If the council procures some of its services through a regional consortium (which procures services on behalf of several councils in the region), would the council be prepared to request that this consortium adopts the tax compliance questions?

### What if my council says they already ask the tax compliance questions?

This is great news. Share this with your local newspaper (see page 10) or invite a councillor to talk to a group about why they do this already.

## Step 3: Encourage the council to pass a motion in support of the tax compliance questions

A decision to include the questions in the council's procurement procedures could either be made by the council cabinet (a small group of lead councillors) or through a motion or resolution presented to the full council. See page 11 for a model motion that you can ask your local councillor(s) to table.

**Did you know?** Local authorities are legally obliged to have regard for environmental, social and economic factors when procuring goods and services. The Public Services (Social Value) Act 2012 places a duty on local authorities to consider social value before procuring public services. Social value means wider social, economic and environmental benefits to the community beyond the primary purpose of the service being procured. You could remind councillors of this when asking them to consider the impact of tax dodging.

### What is the Fair Tax Mark?

Christian Aid's model motion for councils (see page 11) recognises the newly established Fair Tax Mark as a useful means of councils independently verifying whether a company pays a fair share of tax, although not many multinational companies have signed up to the Fair Tax Mark yet.

The Fair Tax Mark is a new voluntary label for companies to use to demonstrate that they are proud to pay their fair share of tax. The label is designed to show that a company is transparent about its tax affairs and seeks to pay the right amount of corporation tax at the right time in the right place. **Find out more at [www.fairtaxmark.net](http://www.fairtaxmark.net)**

## Step 4: Your council responds

### Positive response

- 1. The council says 'yes' and agrees to include the questions – campaign win! You've influenced your council to make sure they don't source goods and services from companies that dodge tax – congratulations!**

**In response:** Please let us know at [campaigns@christian-aid.org](mailto:campaigns@christian-aid.org) or call us on **020 7523 2264 (England) or 028 9064 8133 (Northern Ireland)**.

The next step is to make sure this becomes official policy and is followed through.

Write to your local paper to get the news out – see page 10 for a template press release. You can also share this success on social media with your followers and local groups and ask them to spread the word too.

### Negative response

- 1. The councillor or the procurement officer you contacted does not have the power to implement the policy.**

**In response:** Ask him/her to let you know who does have the power. Then write to that person following Step 2, on page 7, again.

- 2. The council is a member of a group of councils that share procurement through a regional consortium. This can mean councils don't have the power to make a decision on procurement procedures alone and have to follow the wider group's policy.**

**In response:** Ask your contact to try and get the tax compliance questions included in the procurement policies of the whole group/consortium of councils. Christian Aid can help you with this.

- 3. The council already rejects tenders from companies that have been prosecuted for tax evasion under the Customs and Excise Management Act 1979, the Value Added Tax Act 1994 and section 71 of the Criminal Justice Act 1993, and therefore there is no need to introduce these tax compliance questions.**

**In response, explain that:**

a) these Acts only refer to companies avoiding paying VAT or excise duties (tax on goods). The Acts don't

mention companies avoiding paying tax on profits (the focus of our tax campaigning)

- b) as a result, this does not reveal anything about companies' tax practices in countries outside Europe
- c) the tax compliance questions we are asking them to include go further because they check companies against the General Anti-Abuse Rule, or GAAR, which refers to income tax, capital gains tax, corporation tax – they go beyond tax paid on goods
- d) the tax compliance questions we are asking them to include also ask companies to declare any tax offences in other jurisdictions which means checking their behaviour beyond the UK and EU.

**4. The council says they already ask the pre-qualification questions introduced in 2015 so this campaign is not relevant.**

**In response:** A weaker set of questions – known as pre-qualification questions, or PQQs – were introduced by the Crown Commercial Service in 2015. This means public bodies, including councils, are now obliged to pose these questions to companies bidding for contracts.

Christian Aid welcomes their introduction but the PQQs are not as detailed as the tax compliance questions in PPN 03/14 which we are asking councils to adopt. Most importantly, the PQQs only ask companies about illegal tax breaches, whereas the questions in PPN 03/14 ask not only about illegal practices but also about 'incorrect' and 'failed' tax

avoidance both in the UK and overseas (including developing countries). That is why we want councils to adopt PPN 03/14 since its questions are more detailed and rigorous. Furthermore, the PQQ document states that councils can also adopt PPN 03/14 if they wish.

**5. The council says there is no need to act, it has already passed a motion in support of ActionAid's Towns Against Tax Dodging campaign.**

**In response:** Thank your council for passing this motion and explain that Christian Aid fully supports ActionAid's campaign. However, ActionAid's motion does not call on councils to incorporate the tax compliance questions into council procurement procedures. Our request is complementary and the logical next step for the council to take if they are serious about tackling tax dodging.

**6. The council is concerned about the impact that adopting this policy will have on which companies they choose to source things from, in particular small and medium businesses.**

**In response:** Christian Aid has received clear guidance from the Crown Commercial Service that public bodies, other than central government departments, are free to set their own thresholds for the size of contracts that would require the adoption of procurement questions on tax. A threshold can be set so that only large companies would be asked the questions. In our model motion (on page 11) we have left it blank for councils to set their own thresholds.

## Need to step up your campaigning?

**Tips if the ruling party controlling the council cabinet is refusing to engage:**

- **Get more people involved.** Ask members of local churches or groups to show their support by contacting their councillors as well.
- **Contact councillors from other political parties and ask them to raise this issue in a full council meeting.** Highlight that a growing number of councils are passing such motions and there is no obstacle to doing this. Visit [christianaid.org.uk/sourced](http://christianaid.org.uk/sourced) (England) and [christianaid.ie/sourced](http://christianaid.ie/sourced) (Northern Ireland) for the latest list of councils who have passed a motion.
- **Let the relevant councillors know** that you will inform the local media and the local MP of the council's refusal to discuss this issue. This may spur your council into action.

- **Write letters to the editors of local papers, or hold a photo opportunity** to get the message across and send a press release to your local newspapers and radio stations.
- **Organise a local meeting to publicise the campaign** and generate some debate among community and faith groups. Christian Aid may be able to provide a speaker – ask your regional office.
- **Contact your local MP** and ask him or her to use their contacts at the council.

**Please keep in touch! You can contact your regional office, email [campaigns@christian-aid.org](mailto:campaigns@christian-aid.org) or call us on 020 7523 2264 (England) or 028 9064 8133 (Northern Ireland).**

## Step 5 – Share the news locally

### Got the motion passed? Well done!

Now make sure your local newspapers and radio stations hear all about it. Contact your local Christian Aid regional office for details of your local papers and radio stations, and advice on using the following template.

#### XX council votes to probe companies' tax practices

Campaigners are congratulating [XX council] on its decision to take companies' tax practices into account when awarding valuable contracts for goods and services.

Councillors voted to require potential suppliers to reveal whether they have recently been convicted of evading tax, or using tax avoidance strategies which are now disallowed, in a move championed by Christian Aid.

Local authorities in England\* spend around £45bn a year on buying goods and services from third parties.

'We are delighted that XX Council is taking action to encourage potential suppliers to have ethical tax practices,' said local Christian Aid supporter [insert name].

'Councils spend tens of billions of pounds on goods and services. This is taxpayers' money, so it is only right that councils choose to work with firms, which pay their fair share of tax.'

'Companies' tax decisions have a major impact on people's lives, both here in the UK and even more so in developing

countries. When they use accounting tricks to pay less tax, there is less funding for public services at local and national level, including for schools and health services.'

The law already requires local authorities to ask potential suppliers whether they have been found guilty of tax evasion. Christian Aid wants local authorities to go further and also ask companies whether they have been found to have improperly avoided tax, in the UK or other countries, in line with the requirements made of companies bidding for central government contracts.

XX, councillor\*\* for [name of council ward], proposed the motion that was passed. He/she said: 'As councils face ever deeper cuts to their budgets, it makes sense that we use our spending power to favour companies that pay their taxes. After all, it is companies' and individuals' tax payments that ultimately fund council budgets. I hope that other councils across the UK will agree.'

\* Remove this line if in Northern Ireland

\*\* Suggestion only. Any quotation needs to be agreed with the councillor you are working with.



## Appendix 1: Procurement Policy Note 03/14 – Questions

The questions below were introduced in the March 2014 budget and are detailed in a document entitled 'Cabinet Office – Procurement Policy Note 03/14'.

### **Q1. The supplier must state whether, from 1 April 2013 onwards:**

**1.1. Its tax affairs have given rise to a criminal conviction for tax-related offences that is unspent, or to a penalty for civil fraud or evasion and/or**

**1.2. Any of its tax returns submitted on or after 1 October 2012 has been found to be incorrect as a result of:**

- HMRC successfully challenging it under the General Anti-Abuse Rule (GAAR) or the 'Halifax' abuse principle or
- a tax authority, in a jurisdiction in which the supplier is established, successfully challenging it under any tax rules or legislation that have an effect equivalent or similar to the GAAR or the 'Halifax' abuse principle or

• the failure of an avoidance scheme that the supplier was involved in and which was, or should have been, notified under the Disclosure of Tax Avoidance Scheme (DOTAS), or any equivalent or similar regime in a jurisdiction in which the supplier is established.

**If answering 'yes' to either Q1.1 or 1.2, the supplier may provide details of any mitigating factors that it considers relevant and that it wishes the authority to take into consideration.**

#### **For example, this could include:**

- corrective action undertaken by the supplier to date
- planned corrective action to be taken
- changes in personnel or ownership since the occasions of non-compliance (OONC) or
- changes in financial, accounting, audit or management procedures since the OONC.

### **In order to consider any factors raised by the supplier, procuring authorities will find it helpful to have the following information:**

- A brief description of the occasion, the tax to which it applied, and the type of 'non-compliance', *eg, whether HMRC or the foreign tax authority has challenged pursuant to the GAAR, the 'Halifax' abuse principle, etc.*
- Where the OONC relates to a DOTAS, the number of the relevant scheme.
- The date of the original 'non-compliance' and the date of any judgement against the supplier, or date when the return was amended.
- The level of any penalty or criminal conviction applied.

## Appendix 2: Model motion for your council to pass

### **This council notes that:**

- corporate tax evasion and avoidance are having a damaging impact on the world's poorest countries, to such a level that it is costing them far more than they receive in aid
- this is costing the UK as much as £30bn a year
- this practice also has a negative effect on small and medium-sized companies who pay more tax proportionately.

This council further notes that the UK Government has taken steps to tackle the issue of tax avoidance and evasion by issuing Procurement Policy Note 03/14 (PPN 03/14). This applies to all central

government contracts worth more than £5m.

This council also notes the existence of voluntary schemes promoting tax compliance such as the Fair Tax Mark, which can serve as an independent means of verification.

In early 2015 new regulations required public bodies, including councils, to ask procurement qualification questions of all companies for tenders over £173,000 for service contracts and £4m for works contracts. However, these questions are not as detailed as the PPN 03/14.

This council believes that bidders for council contracts should be asked to account for their past

tax record, using the standards in PPN 03/14, rather than the lower standards in the recent regulations.

This council therefore calls for procurement procedures to be amended to require all companies bidding for service contracts worth more than £XXXX and for works contracts worth more than £XXXX (your council can suggest the size of contract that this would apply to) to self-certify that they are fully tax-compliant in line with central government practice using the standards in PPN 03/14, applying to contracts of the size specified above.

This council asks the cabinet to publicise this policy and to report on its implementation annually.

## Endnotes

1. In 2015, an International Monetary Fund Working Paper estimated the loss to developing countries to be in the range of US\$100bn to US\$300bn a year. See [www.imf.org/external/pubs/ft/wp/2015/wp15118.pdf](http://www.imf.org/external/pubs/ft/wp/2015/wp15118.pdf)  
For commentary on these figures, see [http://uncounted.org/2015/06/01/imf-developing-countries-beps-revenue-losses-exceed-\\$200-billion/](http://uncounted.org/2015/06/01/imf-developing-countries-beps-revenue-losses-exceed-$200-billion/)  
Christian Aid's research in 2009 estimated the loss to developing countries to be US\$160bn a year. See report, *False profits: robbing the poor to keep the rich tax-free*, at [christianaid.org.uk/Images/false-profits.pdf](http://christianaid.org.uk/Images/false-profits.pdf)
2. Measuring tax gaps, 2013 edition: tax gap estimates for 2011-12, HM Revenue & Customs, 2013, p4.
3. House of Commons Communities and Local Government Committee, Local government Procurement, Sixth Report of Session 2013-14, The Stationery Office Limited, 2014, [www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/712/712.pdf](http://www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/712/712.pdf)
4. 2015 CIA World Factbook data on the number of people living below the poverty line in Zambia: <https://www.cia.gov/library/publications/the-world-factbook/fields/2046.html>
5. 2015 CIA World Factbook data on life expectancy in Zambia: <https://www.cia.gov/library/publications/the-world-factbook/fields/2102.html>
6. In 2013, the *Financial Times* reported: 'Zambia's government estimates that it is losing US\$2bn annually as a result of tax avoidance and transfer pricing by foreign companies on its turf.' See: [www.ft.com/cms/s/0/93b47d9a-b196-11e2-b324-00144feabdc0.html#axzz3xso2ICWF](http://www.ft.com/cms/s/0/93b47d9a-b196-11e2-b324-00144feabdc0.html#axzz3xso2ICWF)

## Thank you for joining the Sourced campaign.

**Tax is one of the most powerful tools that countries can use to lift their citizens out of poverty. With your help big companies will know that they cannot hide any tax dodging, either in the UK or overseas, when they bid for large contracts from your council.**

'Blessed are those who hunger and thirst for righteousness, for they will be filled.'

Matthew 5:6



**Council 25<sup>th</sup> February 2016  
Written Questions**

**1. Councillor Gillespie**

**To Councillor Owers to the Executive Councillor for Finance and Resources**

**I recommend the Wealth and Want report by the Cambridge Commons, to the council. Since my oral question about this was not tackled at last council meeting, I am resubmitting it as a written question.**

**As well as a survey providing extensive information about gross inequality in the city, it provides a list of urgent recommendations. The Labour group says that tackling inequality is its top priority. The council is doing tremendous work on the living wage; the report recommends an additional Cambridge Supplement.**

**The need for a review of investment priorities in benefits advice and advocacy is important, internally and externally, especially since staff at Mandela House were apparently unaware quite recently of the introduction of Universal Credit, due next week. This follows a vicious regime of daily signings and adds more stigma and anxiety to a system which is already full of it.**

**Will the Executive Councillor for Finance please publish a step by step response to the recommendations, to be published before next full council meeting (14th April 2016)?**

**(The report can be found at [http://www.thecambridgecommons.org/tcc/reports/fairness\\_review/2015/tcc\\_fairness\\_review\\_201506.pdf](http://www.thecambridgecommons.org/tcc/reports/fairness_review/2015/tcc_fairness_review_201506.pdf) )**

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**Wealth and Want report**

**The Executive Councillor is aware of the Fairness Review report published by the Cambridge Commons, entitled “Cambridge: Wealth and Want.” Many of the issues highlighted in the report are consistent with those identified through the review of evidence carried out by the Council as part of the development of the Council’s Anti-Poverty**

Strategy. These include: high housing costs and cost of living; declining wages in real terms; increasing numbers of people experiencing financial crisis and seeking support from foodbanks; and high levels of fuel poverty.

The Council's Anti-Poverty Strategy, published in March 2015, sets out a range of activities and initiatives that the City Council is undertaking to address the key issues which contribute to poverty in Cambridge, including:

- Securing accreditation from the Living Wage Foundation as a Living Wage employer, and promoting Living Wage accreditation among businesses and other organisations.
- Supporting and promoting the services offered by credit unions in Cambridge.
- Delivering a range of measures to reduce fuel and water poverty through a dedicated action plan and staff resources.
- Increasing the number of apprenticeship opportunities in City Council services and working with other partners in the City Deal to deliver an additional 420 apprenticeships across Greater Cambridge.
- Providing free swimming lessons for children from low income families and offering 50% entry discounts to City Council owned swimming and sports facilities for people on means-tested benefits.
- Funding outreach advice work for people with mental health issues associated with low income and debt.
- Working with partners to promote cooking skills and greater understanding of healthy eating for people on low incomes.
- Working with partners to reduce digital exclusion, through providing training and identifying 'digital champions' in the community.

Officers will publish a full response to the recommendations in the Cambridge Commons report. It is suggested that this response should be considered by members of Strategy and Resources Committee on 4 July 2016, alongside the annual progress report on the Council's Anti-Poverty Strategy for 2015/16.

## **Living Wage**

The independent national Living Wage Foundation has identified a Living Wage rate of £9.40 per hour in London, and £8.25 per hour in the rest of the UK. The Council has employed a dedicated Living Wage Co-ordinator to actively promote Living Wage accreditation to businesses since November 2014. While the Council is aware of the high cost of living within Cambridge compared with other parts of the country, it does not currently intend to promote a higher Living Wage rate or 'Cambridge Supplement' to Cambridge businesses.

Experience from Living Wage campaigns in other countries, such as the United States, suggests that setting different rates for different localities can be confusing for businesses and can dilute the impact of a single national campaign. This is particularly true at a time when a new National Living Wage is being introduced by Government for all businesses from 1 April 2016 at the lower rate of £7.20 per hour for workers aged 25 or over. Since the announcement of the National Living Wage in November 2015, the Living Wage Officer has spent a large amount of time explaining the difference between the National Living Wage and the higher Living Wage to local employers.

## **Universal Credit**

Universal Credit is being introduced in stages and will start with new claims from single job seekers in Cambridge from 29 February 2016.

This will be extended to claims from couples and those with families during 2017 and an announcement in relation to when this will happen in Cambridge is expected in September 2016.

Work to support customers moving onto Universal Credit has been part of the One Council Approach to Welfare Reform. Officers from Revenues and Benefits, Customer Service Centre, City Homes, Housing Advice, Housing Strategy and Finance meet on a regular basis to discuss the impact of Welfare Reforms on their service area.

Universal Credit has been the central area of discussion since summer 2015 and has intensified since the announcement (autumn 2015) of the go-live date of February 2016.

These meetings gather information from across the council to identify who may be impacted and how any negative impacts may be mitigated. They also are a means to disseminate information to staff.

It is important to note that officers do not anticipate there being huge demand from the limited numbers of people who will be claiming Universal Credit in Cambridge in this first phase of rollout, as this first phase is only for new, single jobseekers, who would otherwise be claiming Jobseekers Allowance.

The DWP has estimated that there could be up to 3 customers per month requiring personal budgeting support referred to the Council and 3 requiring support with online access.

Unlike Housing Benefit, which is administered by local councils, Universal Credit is delivered by the Department for Work and Pensions with support from local councils.

A report was brought to the January 2016 Strategy and Resources Scrutiny Committee in relation to Universal Support (Delivered Locally) which sought approval to enter into a delivery partnership agreement with the DWP for the provision of support.

Officers have been working on the responsibilities of the City Council under the agreement which include:

- Providing support to the Universal Credit Service Centre on housing cost issues
- Supporting customers to make claims online
- Providing access to personal budgeting support to customers identified as having a need for it
- Processing claims for Council Tax Reduction
- Supporting landlords to prepare for Universal Credit
- Providing Management Information to DWP
- Supporting DWP with the evaluation of the first phase of national rollout

Managing customer expectations is key to this process, so that those unaffected by this first phase of the rollout are not unduly concerned, but are aware of the preparations they need to undertake.

Universal Credit has been a feature of regular articles in Open Door which is widely publicised to tenants and staff.

Universal Credit can be seen as being formed of two aspects. The Claimant Commitment process which currently happens at the Jobcentre is seen as a more rigorous regime of signing on with work focused interviews and interventions. The second aspect is the payment side, which introduces a single payment of benefit, paid monthly in arrears.

Arrangements have been made with Cambridge CAB to undertake the specialist Personal Budgeting Support for the few customers that DWP identify as needing this support.

Basic budgeting support will be given either at Mandela House or via existing referral arrangements to CAB. All aspects of personal budgeting support have been agreed with City Homes and CSC.

Digital support is part of a wider Council objective but the needs of Universal Credit claimants are being taken in to account.

Many aspects of the support required is already being delivered or commissioned as part of digital inclusion work and budgeting support delivered by officers at Mandela House, City Homes, Housing Advice and in partnership with Cambridge CAB.

Officers remain committed to ensuring that the needs of most vulnerable in the community are met during this period of significant welfare reform and will continue to address this as the changes are implemented.

**David Kidston, Strategy and Partnerships Manager**

**Alison Cole, Head of Revenues and Benefits**

**22 February 2016**

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