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Cambridge City Council

COMMUNITY SERVICES SCRUTINY COMMITTEE

To: **Scrutiny Committee Members:** Kerr (Chair), Blackhurst (Vice-Chair), Johnson, Kightley, Moghadas, Price, Roberts and Tucker

Alternates: Councillors Brierley and Todd-Jones

Executive Councillor for Community Wellbeing: Councillor Brown

Executive Councillor for Housing: Councillor Smart

Non-voting co-optees: Diane Best, Kay Harris, Diane Minns and John Marais (Tenant/Leaseholder Reps).

Despatched: Monday, 23 December 2013

Date: Thursday, 16 January 2014

Time: 1.30 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Toni Birkin

Direct Dial: 01223 457013

AGENDA

1 APOLOGIES

To receive any apologies for absence.

2 DECLARATIONS OF INTEREST

Members are asked to declare at this stage any interests that they may have in an item shown on this agenda. If any member of the Committee is unsure whether or not they should declare an interest on a particular matter, they should seek advice from the Head of Legal Services **before** the meeting.

3 MINUTES (*Pages 7 - 22*)

To approve the minutes of the meeting of 10th October 2013.

4 PUBLIC QUESTIONS (SEE INFORMATION BELOW)

5 DECISIONS TAKEN BY EXECUTIVE COUNCILLOR

- 5a Buy Back Dwelling Sold under Right to Buy Strategy Officer (*Pages 23 - 24*)
To note record of Urgent Decision taken by the Executive Councillor for Housing.

Items for debate by the Committee and then decision by the Executive Councillor

These items will require the Executive Councillor to make a decision *after* hearing the views of the Scrutiny Committee.

There will be a full debate on these items, and members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

Decisions for the Executive Councillor for Housing

Items for debate by the Committee and then decision by the Executive Councillor

6 HOUSING PORTFOLIO REVENUE AND CAPITAL BUDGETS 2013/14 (REVISED), 2014/15 (ESTIMATE) AND 2015/16 (FORECAST)

Report to follow.

7 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT (*Pages 25 - 156*)

8 HOUSING GENERAL FUND GRANTS TO VOLUNTARY ORGANISATIONS 2014-16 (*Pages 157 - 164*)

9 COUNCIL NEW BUILD - ESTATE MANAGEMENT (*Pages 165 - 168*)

10 SHARED OWNERSHIP REVIEW (*Pages 169 - 208*)

11 SCHEME SPECIFIC APPROVAL - QUADS (COUNCIL LAND AT CLAY FARM). (*Pages 209 - 218*)

12 UNLAWFUL EVICTION AND HARASSMENT POLICY (*Pages 219 - 238*)

Decisions for the Executive Councillor for Community Wellbeing

Items for debate by the Committee and then decision by the Executive Councillor

13 COMMUNITY WELLBEING PORTFOLIO REVENUE AND CAPITAL BUDGETS 2013/14 (REVISED), 2014/15 (ESTIMATE) AND 2015/16 (FORECAST)

Report to follow.

14 COMMUNITY & ARTS AND RECREATION DEVELOPMENT FUNDING TO VOLUNTARY AND NOT-FOR-PROFIT ORGANISATIONS 2014-15
(Pages 239 - 274)

15 REVIEW OF VOLUNTARY SECTOR GRANTS *(Pages 275 - 284)*

16 CLAY FARM MULTI USE CENTRE - MANAGEMENT PROPOSAL *(Pages 285 - 290)*

Information for the Public

Location

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

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

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- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

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COMMUNITY SERVICES SCRUTINY COMMITTEE

10 October 2013

1.35 - 4.18 pm

Present: Councillors Kerr (Chair), Blackhurst (Vice-Chair), Johnson, Kightley, Moghadas, Price, Roberts and Tucker.

Executive Councillor for Housing: Councillor Smart

Executive Councillor for Community Wellbeing: Councillor Brown

Tenant and Leaseholders Representatives: Diane Best, Kay Harris and Diana Minns

Officers Present:

Director of Customer and Community Services: Liz Bisset

Head of Arts and Recreation: Debbie Kaye

Head of Community Development: Trevor Woollams

Head of Strategic Housing: Alan Carter

Urban Growth Project Manager: Tim Wetherfield

Business Manager/Principal Accountant: Julia Hovells

Development Officer: Sabrina Walthamstow

Committee Manager: Toni Birkin

FOR THE INFORMATION OF THE COUNCIL

13/63/CS Apologies

There were no apologies.

13/64/CS Declarations of Interest

No interests were declared.

13/65/CS Minutes

Minutes of the meetings of the 23rd May 2013 and the 25th June 2013 were approved and signed as correct records.

Request to Film Meeting

The Chair gave permission for a member of the public to film the meeting. It was confirmed that the filming would take place from a fixed position and cease if members of the public or speakers expressed a desire not to be filmed. Members of the public were given an opportunity to state if they did not want to be filmed.

13/66/CS Public Questions

Public Speakers

Mr Johnson

Mr Johnson regarding the facilities at Parkside Pool raised the following points:

- i. Kelsey Kerridge is 50 yards from Parkside Pool.
- ii. Kelsey Kerridge is a charity and received funding from the City Council.
- iii. The Management Board is not remunerated.
- iv. Existing facilities at Kelsey Kerridge and Parkside Pool are complimentary.
- v. A fitness centre at the Pool would introduce competition.
- vi. What are the cost implications?
- vii. The Pool would have an unfair advantage as it has a ground level entrance.
- viii. The money could be better spent improving facilities at the other pools across Cambridge.

The Executive Councillor for Community Wellbeing stated that the facilities at Parkside Pool were being expanded and would not be in competition with Kelsey Kerridge. As discussed at the last Community Services meeting, the new facilities would be targeting a different customer base. The good relationship with Kelsey Kerridge was valued.

Mr Johnson replied and stated that he considered this a poor business decision.

Mr Naptone

Mr Naptone regarding the facilities at Parkside Pool raised the following points:

- i. The loss of the health suite was upsetting.
- ii. It was the best in Cambridge and compliments the pool.
- iii. If it was underused, this was due to lack of promotion and poor management.
- iv. Disputed the usage figures and the way they were gathered and suggested the facility was well used.

- v. The facility should be treasured.

The Executive Councillor for Community Wellbeing stated that the facility had been opened in the late 1990s and that other facilities were now available. Figures collected over a number of years showed a steady decline in usage. The facility needed renovations and may be replaced elsewhere. A public meeting was planned to discuss the options.

Mr Naptone reiterated that in his opinion the facilities at the pool were good and that there was evidence to support the assertion that the user count was inaccurate.

Raphael Silberzahn

Raphael Silberzahn regarding facilities at Parkside Pool raised the following points:

- i. As a frequent user of the facility the underuse appears to be linked to poor management.
- ii. SLM had a conflict of interest in that the health suite was not a facility that made them money, as opposed to income generating swimming lessons, and therefore they did not promote it.
- iii. It was the duty of the Council to provide facilities for people unable to afford commercial options.
- iv. Usage could be increased by providing vouchers for those on a low income.
- v. The City is well supplied with gyms.

The Executive Councillor for Community Wellbeing stated the proposed gym would be one of a kind. It would be targeted at disabled residents and GP referrals. The existing health suite was old and underused. The Council had a duty to provide facilities to the widest public use. More facilities may be offered and this would be discussed at the public meeting.

Raphael Silberzahn stated that members do not check in when using the facilities which results in inaccurate recording of usage.

Dr Dmitri Guskov

Dr Guskov addressed the Committee regarding the minutes of the previous meeting and agenda item 8 (minute number 13/70/CS below) and made the following points:

- i. Officers had not responded to points raised at the last Community Services Scrutiny Committee meeting.

- ii. Proposals available would not ensure leaseholders would not be worse off.
- iii. Shared ownership would result in them being worse off.
- iv. He was being treated less favourably than a tenant and would not be entitled to expenses.
- v. The new deal would not allow leaseholders to be fully compensated.
- vi. Officers had failed to correct an error in the policy.
- vii. New build properties would lose value faster than older properties.

The Executive Councillor for Housing responded. She confirmed that shared equity and shared ownership was not the same thing. Leaseholders were being offered the best financial deal possible. She confirmed that the Council wished to find a solution that was agreeable to all parties.

The Head of Strategic Housing confirmed that shared ownership, although a higher cost, was offered as a choice of alternative housing for leaseholders to consider. Shared equity had been developed as a solution to put leaseholders in a position that was no worse than their existing situation.

Dr Guskov was concerned that the committee would not debate this decision.

Councillor Reiner

Councillor Reiner addressed the Committee regarding agenda item 11 (minute number 13/73/CS below). For the ease of the reader, her comments can be found at the beginning of the relevant item.

13/67/CS Decisions Taken by Executive Councillors

5a Community Development Grant Application

The decision was noted.

5b Winter Comfort Contract

The decision was noted.

5c Appointment to Outside Body

The decision was noted.

5d Repurchase of Shared Ownership Property

The decision was noted.

13/68/CS Council New Build Programme - Scheme Approvals

Matter for Decision:

The report provided details of the proposed redevelopment of the final three sites that, together, will complete the investment of the £2.6 million capital grant from the Homes and Communities Agency (HCA) by the end of March 2015 to provide 146 new Affordable Housing dwellings (the 146 Programme). The three sites were all garage sites. A fourth site had been included in the report that involved the potential redevelopment of a disused drying area. The proposal for the fourth site is related to the Council's development of land at Clay Farm and involves the provision of two new houses to at least Level 5 of the Code for Sustainable Homes as prototypes for the Clay Farm development.

The report highlighted that in addition to the use of the HCA grant there was the opportunity to invest capital receipts from the Right to Buy (RTB) programme.

Decision of Executive Councillor for Housing:

The Executive Councillor resolved, for each of the following:

- a. 301 to 326 Hawkins Road Garages.
- b. 11 to 45 Ekins Road Garages
- c. Fulbourn Road Garages
- d. Disused Drying Area at Anstey Way

to:

- i. Approve the continuation of site feasibility work, noting the indicative schemes and the tenure mix options.
- ii. Approve that delegated authority be given to the Director of Customer and Community Services following consultation with the Director of Resources (or any equivalent successor post), Executive Councillor for Housing, Chair and Spokes to agree a final scheme and budget for each site based on the tenure mix that optimises the use of HCA and RTB receipts for the HRA Business Plan.
- iii. Approve that delegated authority be given to the Director of Customer and Community Services following consultation with the Director of Resources (or any equivalent successor post) and the Head of Legal Services to seal a Development Agreement with the Council's preferred house-builder/developer partners.

Reason for the Decision:

As set out in the Officer's report.

Any Alternative Options Considered and Rejected:

Not applicable.

Scrutiny Considerations:

The Committee received a report from the Head of Strategic Housing regarding the Council New Build Programme. He highlighted the inclusion potential grant from the Homes and Communities Agency and Right to Buy receipts in the decision and the need for flexibility. Members noted the following correction to the recommendations where appropriate : that consultation should be with the Director of Resources (or any equivalent successor post)

The Committee made the following comments in response to the report.

- i. The possibility of delivering the plan with a higher than expected proportion of Council Housing was welcomed.
- ii. The Committee welcomed the savings to be achieved by allowing two properties to be built as prototypes for the Clay Farm development.
- iii. The plans in place to work with future residents on how to get the best results from the Code 5 features of their homes were welcomed.
- iv. Members were assured that the properties would be allocated using the standard Homelink process. However, potential residents, both owner occupiers and tenants, would be made aware that their utility bills would be monitored for an initial period.
- v. Members were concerned that internal storage would be sacrificed in order to accommodate code 5 technology. Officers stated that the design features of the house used passive measures to achieve energy savings rather than technology.
- vi. Members questioned the demand for one bedroom properties and how future demand was assessed. A member briefing on future housing needs was suggested.

The Committee resolved unanimously to endorse the amended recommendations.

The Executive Councillor approved the recommendation.

13/69/CS Housing Revenue Account Mid-Year Financial Review

Matter for Decision

The Housing Revenue Account Budget Setting Report, considered and approved in January / February of each year is the long-term strategic planning document for housing landlord services provided by Cambridge City Council.

The Housing Revenue Account (HRA) Mid-Year Financial Review provides an opportunity to review the assumptions incorporated as part of the longer-term financial planning process, recommending any changes in response to new legislative requirements, variations in external economic factors and amendments to service delivery methods, allowing incorporation into budgets and financial forecasts at the earliest opportunity.

Decision of Executive Councillor for Housing:

The Executive Councillor resolved to:

- i. Note the proposals for changes in housing capital budgets, as detailed in Sections 6 and 7, and summarised in Appendix F of the Officer's report and to recommend the proposals for decision at Council on 24th October 2013.

Reason for the Decision:

As set out in the Officer's report.

Any Alternative Options Considered and Rejected:

Not applicable.

Scrutiny Considerations:

The Committee received a report from the Business Manager and Principal Accountant regarding the Housing Revenue Account Mid-Year Financial Review.

Members expressed concern that reductions to the disabled adaptations budget could result in a shortfall at the end of the financial period. Officers stated that the remaining budget was expected to meet demand.

In response to questions from Committee members the Business Manager and Principal Accountant clarified how the inflation predictions had been calculated (Consumer Price Index plus 2%). She suggested that making adjustments at this point in the year was part of good budget management.

The Committee resolved by 4 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendation.

Conflicts of interest declared by the Executive Councillor (and any dispensations granted)

Not applicable.

Exclusion of the Press and Public

The Scrutiny Committee resolved not to exclude members of the public from the meeting as pre scrutiny of the report had not been requested and there would be no debate of the item.

13/70/CS Compulsory Purchase Order (Confidential)

Matter for Decision:

The report requested permission to proceed with a Compulsory purchase Order under section 17 of the Housing Act 1985. Details of the property in question were included in the confidential report.

Decision of Executive Councillor for Housing:

The Executive Councillor resolved to:

- i. Approve the Compulsory Purchase Order.

Reason for the Decision:

As set out in the Officer's report.

Any Alternative Options Considered and Rejected:

Not applicable.

Scrutiny Considerations:

There was no debate on this item as pre-scrutiny had not been requested.

The Executive Councillor approved the recommendation.

Conflicts of interest declared by the Executive Councillor (and any dispensations granted)

Not applicable.

13/71/CS Cambridge Folk Festival Portable Cabins production tender 2014 - 2016**Matter for Decision:**

The contract for the provision of Portable Cabins for the Cambridge Folk Festival expired after the 2013 event. Officers were seeking permission to enter a formal tender process for the provision of this service for the Cambridge Folk Festival from 2014 for up to a maximum of 3 years.

The contract would be awarded to the successful contractor on a single year basis with an option to extend the contract annually subject to satisfactory performance of the contractor and no anticipated changes to requirements. The anticipated contract financial value is £35,000 pa (£105,000 total for a 3 year term).

Price includes a 10% flexibility in case of changes to specification.

Decision of Executive Councillor for Community Wellbeing:

The Executive Councillor resolved to:

- i. Authorise the Head of Arts & Recreation to tender for a contractor to provide Portable Cabin services for the Folk Festival.
- ii. Authorise the Head of Arts and Recreation to award the contract to the most favourable tender, in accordance with pre-determined selection criteria.

Reason for the Decision:

As set out in the Officer's report.

Any Alternative Options Considered and Rejected:

Not applicable.

Scrutiny Considerations:

There was no debate of this item as pre-scrutiny had not been requested. The Committee noted that the decision was Non Key rather than Key as stated in the Officer's report.

The Executive Councillor approved the recommendation.

Conflicts of interest declared by the Executive Councillor (and any dispensations granted)

Not applicable.

13/72/CS Future Options of Discretionary Services

Matter for Decision:

The mid-year financial review, presented to Strategy and Resources Scrutiny Committee on 30 September 2013 set out the challenges facing Cambridge City Council as an organisation. It anticipated that the City Council will need to transform the way that it delivers services, reflecting on the sorts of options the Council would need to consider in order to achieve this with diminishing resources. The report considered future options for Arts and Recreation and Community Development, discretionary services which together account for around a quarter of the Council's net budget.

Decision of Executive Councillor for Community Wellbeing:

The Executive Councillor resolved to:

- i. Agree that a range of options would be brought forward for transforming the delivery of Arts and Recreation and Community Development in the longer term.
- ii. Building on the principles in the review of Children and Young People's Participation Service (ChYpPS), as reported to this committee in January 2012, ask the Head of Community Development to restructure the service to deliver savings of £340k for 2014.

Reason for the Decision:

As set out in the Officer's report.

Any Alternative Options Considered and Rejected:

Not applicable.

Scrutiny Considerations:

The Committee received a report from the Director of Customer and Community Services regarding the Future Options for Discretionary Services.

At the request of Councillor Moghadas, it was agreed that the two recommendations detailed in the report be considered and voted on separately.

Councillor Moghadas stated that the recent review of the ChYpPS service had demonstrated the unique nature of the service and how other authorities did not do anything comparable. However, she argued that rather than evidence to support a cut to the service, this should be celebrated and valued. She argued that while Cambridge in general was an affluent area, there were pockets of deprivation and a 50% cut to universal play provision would be a hard hit for families.

The Executive Councillor for Community Wellbeing expressed disappointment that Labour Councillors were considering voting against the recommendation. She stated that the report was not proposing a simplistic approach but rather was looking at new ways to deliver the service.

Councillor Roberts argued that the report lacked data on how the money would be saved, the level of redundancies and the impact on services ward by ward.

Concerns were expressed regarding the following issues:

- i. Voluntary agencies would be expected to pick up the shortfall in services
- ii. The loss of the diversionary nature of the ChYpPS service would result in increased anti-social behaviour and associated costs.
- iii. Had other services, such as those used extensively by non-city residents, for example the Junction, been considered as an alternative saving?
- iv. The options in the report were limited and lacked detail.
- v. The ChYpPS bus and boat offered unique play experiences for young people and could also be income generating with the correct commercial management.

The Executive Councillor for Community Wellbeing responded and stated that the ChYpPS team was valued and that the report was not a reflection on the services provided. The report seeks to protect the core values of the service while recognising the current financial realities. The holistic approach was designed to maintain the good work achieved to-date. The alternative would be to just stop doing things.

The Head of Community Development outlined the timeframes for delivering the savings and consulting staff. He confirmed the income generating targets of the ChYpPS Adventure service and stated that this service had the potential to grow and expand. The potential for delivering training to other providers was also being explored.

The Director of Customer and Community Services outlined the benefits of bringing together the Arts and Recreation Service and the Community Development Service in the longer term. This would allow alternative business structures to be explored and would facilitate the sharing of skills and experience.

Councillor Kerr, in her role as Young People's Champion, stated that the ChYpPS service was highly valued and that steps would be taken to protect its core values, particularly for vulnerable young people. However, hard financial decision needed to be taken. Alternative sources of funding were not available and officers had worked hard to explore all possible option.

The Committee resolved unanimously to endorse recommendation 2.1.

To agree that a range of options would be brought forward for transforming the delivery of Arts and Recreation and Community Development in the longer term.

The Committee resolved by 4 votes to 4 (on the Chair's casting vote) to endorse recommendation 2.2.

Building on the principles in the review of Children and Young People's Participation Service (ChYpPS), as reported to this committee in January 2012, to ask the Head of Community Development to restructure the service to deliver savings of £340k for 2014.

The Executive Councillor approved the recommendations.

Conflicts of interest declared by the Executive Councillor (and any dispensations granted)

Not applicable.

13/73/CS 13/63/CS Developer Contributions: second priority-setting roundCouncillor Reiner

Councillor Reiner addressed the Committee in support of the development of Rouse Ball Pavilion on Jesus Green and made the following comments:

- i. The current pavilion was named after Walter William Rouse Ball, known as W. W. Rouse Ball, who was a fellow at Trinity College in the 19th century.
- ii. The Master and Bursar of Trinity are aware that the City Council are considering refurbishing or rebuilding the pavilion and had been invited to make contact so that we could explore ways to renew the links between the pavilion, the City and Trinity College.
- iii. She requested that the committee considers this favourably and be aware that residents had been campaigning for this for a number of years and had strong feelings for this project.

Matter for Decision:

Developer contributions are payments received by the council from property owners/developers to help address the impact of greater demand for facilities arising from development. The council has a devolved decision-making process. Alongside this, half the payments from major developments determined by the Planning Committee go into a city-wide fund for strategic projects in Cambridge to create or improve facilities that would benefit residents more widely. The second priority-setting round is now under way, planning ahead for the next set of projects to be taken forward once first round and on-going projects are completed. The report considered the refreshed list of strategic project ideas for the use of community facilities, and outdoor and indoor sports facilities contributions.

Decision of Executive Councillor for Community Wellbeing:

The Executive Councillor resolved to:

- i. Allocate an additional £40k (community facilities) & £25k (outdoor sports/formal open space) to the existing strategic priority project for the Rouse Ball Pavilion development (to which £185k has already been allocated);
- ii. Prioritise a £25k outdoor sports grant for improved cricket net provision at Netherhall School, so that this can be taken forward now;

- iii. Defer the second round short-listing of other project ideas for the use of sports facilities contributions in the city-wide fund until the Cambridge Sports Strategy for 2014-17 has been developed; and
- iv. Noted the consultation feedback on other strategic project ideas relating to the Community Well-being portfolio.

Reason for the Decision:

As set out in the Officer's report.

Any Alternative Options Considered and Rejected:

Not applicable.

Scrutiny Considerations:

The Committee received a report from the Urban Growth Project Manager regarding the second round of developer contributions priority-setting.

The Committee expressed their thanks to the Officer for the amount of detailed work that had gone in to the programme.

Members expressed surprise that a commercial concern, such as the Arts Theatre was being considered for S106 funding. It was explained that the list of project ideas reflected the ideas that had been put forward by area committees, local residents, groups and organisations and that a commitment had been given to report a summary of all the feedback received.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendation.

Conflicts of interest declared by the Executive Councillor (and any dispensations granted)

Not applicable.

13/74/CS Community Facility Capital Grants Programmes in East Area and Newtown**Matter for Decision:**

The report followed on from a report to Environment Scrutiny Committee in June 2013 on developer contributions and devolved decision-making. The report highlighted capital programmes for improving community facilities across the east area wards and the Newtown area within Trumpington. The

report questioned whether the programmes should now be assimilated into the single corporate devolved process to simplify management arrangements and ensure fairness across the city.

The report recommended that the remaining unallocated funds should be incorporated into the Council's approach to devolved decision making.

Decision of Executive Councillor for Community Wellbeing:

The Executive Councillor resolved that:

- i. The remaining unallocated budget within the East Area Capital Grants Programme be incorporated into the Council's approach to devolved decision making.
- ii. The remaining unallocated budget within the Newtown Capital Grants Programme be incorporated into the Council's approach to devolved decision making.

Reason for the Decision:

As set out in the Officer's report.

Any Alternative Options Considered and Rejected:

Not applicable.

Scrutiny Considerations:

The Committee received a report from the Head of Community Development regarding the Community Facility Capital Grants Programmes in East Area and Newtown.

The Committee asked for clarity on the decision process.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendation.

Conflicts of interest declared by the Executive Councillor (and any dispensations granted)

Not applicable.

The meeting ended at 4.18 pm

CHAIR

Recommendation to Buy Back a Dwelling

Decision of: Councillor Smart, Executive Councillor for Housing

Reference: 13/URGENCY/CS/4

Date of decision: 22nd October 2013 **Record on:** 22nd October 2013

Decision Type: Non Key Decision

Matter for Decision: The report proposed that the Council enacts the Housing Revenue Account Acquisition & Disposal Policy, following the basic premise of the 'Right of First Refusal' for buying back a Council dwelling that was sold under the right to buy process in 2003. Although this property was originally sold before the introduction of the legislation, the owner-occupier has approached the Council, to offer the Council the right to repurchase, outside of any legal requirement to do so.

Why the decision had to be made (and any alternative options): As detailed in the briefing note. It was not practical to delay the decision until the next committee meeting as the need for the service was considered urgent.

The Executive Councillor's decision(s): **The Executive Councillor Resolved:**

- i. To approve that the Council, subject to agreement with the vendor, buy back the ex-Council property, previously sold under right to buy legislation in February 2003.
- ii. The capital costs were detailed in the confidential report.
- iii. The revenue implications arising from bringing this property back into housing stock (management, repairs and property improvements) are anticipated to be fully met from the rental income from the dwelling once let.

Reasons for the decision:	It is proposed that the property would be let as general needs housing increasing the supply of social housing in the city and providing an extra unit of accommodation, where there is currently pressure on the housing waiting list
Scrutiny consideration:	The Chair and Spokesperson of Community Services Scrutiny Committee were consulted prior to the action being authorised.
Report:	Confidential.
Conflicts of interest:	None
Comments:	n/a



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Director of Customer & Community Services
Relevant scrutiny committee: Community Services and Housing Management Board 16/1/2014
Wards affected: All Wards

HOUSING REVENUE ACCOUNT (HRA) BUDGET SETTING REPORT (BSR) 2013/14 to 2017/18 – REVENUE IMPLICATIONS
Key Decision

1. Executive Summary

- 1.1 As part of the 2014/15 budget process, the range of assumptions on which the HRA Business Plan and Mid-Year Financial Review were based upon, were reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.
- 1.2 The HRA Budget-Setting Report provides an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals, and is the basis for the finalisation of the 2013/14 revised and 2014/15 budgets.
- 1.3 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report.
- 1.4 The HRA Budget Setting Report will be presented to a meeting of Community Services Scrutiny Committee on 16th January 2014, where the Housing Capital Investment Plan, including capital bids and associated funding proposals will be considered, prior to the final decision in respect of capital items at Council on 27th February 2014.
- 1.5 At a special meeting, also on 16th January 2014, Housing Management Board will consider the HRA Budget Setting Report, scrutinising proposals for both the review of rents and service charges and revenue bids and savings, which form part of the HRA budget, both revised for 2013/14 and for 2014/15 and beyond.
- 1.6 The Executive Councillor for Housing will take decisions at Housing Management Board in respect of both rents and service charges and

the revenue budget, after consideration of any budget amendments for the Housing Revenue Account.

2. Recommendations

The Executive Councillor, is recommended, following scrutiny and debate at Housing Management Board, to:

Review of Rents and Charges

- a) Approve that council dwellings rents be increased in line with rent restructuring guidelines, assuming that 2014/15 is the last year that a move towards convergence with formula rent is possible, but with a maximum in individual increases of inflation (RPI at September 2013 of 3.2%) plus half percent (0.5%) plus £2.00 per week with effect from 7th April 2014, in accordance with the recent consultation for government rent policy guidelines.
- b) Approve inflationary increases of up to a maximum of 2.5% in garage and parking space rents for 2014/15, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report.
- c) Approve the proposed service charges for Housing Revenue Account services and facilities, as shown in Appendix B of the HRA Budget Setting Report.
- d) Approve revised leasehold administration charges for 2014/15 as detailed in Appendix B of the HRA Budget Setting Report.
- e) Approve that service charges for gas maintenance, door entry systems, lifts and electrical and mechanical maintenance are increased by a maximum of inflation at 3.2% plus 0.5%, if required, to continue to recover full estimated costs as detailed in Appendix B of the HRA Budget Setting Report.
- f) Approve that caretaking, communal cleaning, estate services, grounds maintenance, window cleaning, temporary housing premises and utilities, sheltered scheme premises, utilities, digital television aerial and catering charges continue to be recovered at full cost, as detailed in Appendix B of the HRA Budget Setting Report.

Revenue – HRA

Revised Budget 2013/14:

- g) Approve with any amendments, the Revised Budget items shown in Appendix D of the HRA Budget Setting Report.

Budget 2014/15:

- h) Approve with any amendments, the Non-Cash Limit items shown in Appendix E of the HRA Budget Setting Report.
- i) Approve with any amendments, the Unavoidable Revenue Bids and Savings shown in Appendix F of the HRA Budget Setting Report.
- j) Approve with any amendments, the Priority Policy Fund (PPF) Bids shown in Appendix G of the HRA Budget Setting Report.

The Executive Councillor is asked to recommend to Council (following scrutiny and debate at Community Services Scrutiny Committee):

Treasury Management

- k) Approve the revised approach to treasury management, setting-aside a proportion of the surpluses generated over the life of the Business Plan to allow for potential debt redemption, but re-investing up to 75% of the surplus generated in the acquisition or development of new affordable housing, as outlined in Section 7 of the HRA Budget Setting Report.

Housing Capital

- l) Approval of capital bids, shown in Appendix H of the HRA Budget Setting Report, to include resource to implement the Cambridge Public Sector Network across housing offices, to purchase an additional module for the Housing Management Information System, to undertake emergency water mains replacement at Kingsway and to carry out remedial works to a specific HRA dwelling and the surrounding block.
- m) Approval of re-phasing of £15,000 of resource between 2014/15 and 2013/14 to complete communal floor covering works to an entire block whilst the relevant equipment is on site.

- n) Approval of re-phasing of funding for UPVC window replacements of £500,000 from 2014/15 and £850,000 from 2015/16 into later years in the Housing Capital Investment Plan, recognising that it is too early to move to a full investment standard.
- o) Approval of re-phasing of £250,000 from 2014/15 to 2015/16 in respect of the communal areas uplift, recognising that the full programme of works has not yet been finalised.
- p) Approval of gross funding of £16,210,000 for the development of the affordable housing project at Clay Farm, in line with the scheme specific report being presented to Community Services in January 2014, which assumes 75% affordable rented and 25% shared ownership housing.
- q) Approval of funding of £2,875,000 for the provisional purchase of 13 market housing units on the garage re-development sites (or other units of existing market housing), recognising this as an appropriate use of retained right to buy receipts.
- r) Approval to earmark the required level of additional funding for new build investment in 2016/17 and 2017/18 to ensure that the anticipated level of future retained right to buy receipts can be appropriately utilised.
- s) Approval of the revised Housing Capital Investment Plan as shown in Appendix M of the HRA Budget Setting Report.
- t) Approve a provisional addition to the Housing Capital Allowance of £30,591,000 in respect of anticipated qualifying expenditure in 2014/15.

3. Implications

3.1 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 staffing, equal opportunities, environmental 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

3.2 The financial implications associated with decisions are outlined in the HRA Budget Setting Report 2014/15, appended to this report, to be

presented to both Community Services Scrutiny Committee and HMB on 16^h January 2014.

(b) **Staffing Implications**

3.3 Any direct staffing implications are outlined in the HRA Budget Setting Report 2014/15, appended to this report, to be presented to both Community Services Scrutiny Committee and HMB on 16^h January 2014.

(c) **Equal Opportunities Implications**

3.4 An Equality Impact Assessment is included at Appendix N of the HRA Budget Setting Report 2014/15, appended to this report, to be presented to both Community Services Scrutiny Committee and HMB on 16^h January 2014.

(d) **Environmental Implications**

3.5 Where relevant, officers have considered the environmental impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2014/15, appended to this report, to be presented to both Community Services Scrutiny Committee and HMB on 16^h January 2014.

(e) **Procurement**

3.6 Any procurement implications arising directly from revenue or capital bids will be considered and addressed as part of each individual project.

(f) **Consultation and Communications**

3.7 Consultation with tenant and leaseholder representatives is carried out as part of the HMB scrutiny process. The view of a representative group of tenants and leaseholders, in respect of investment priorities, was sought as part of the 2012 STAR tenants and leaseholder survey, and will be repeated in 2014.

(g) **Community Safety**

3.8 Any community safety implications are outlined in the HRA Budget Setting Report 2014/15, appended to this report, to be presented to both Community Services Scrutiny Committee and HMB on 16^h January 2014.

4. Background Papers

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

Housing Revenue Account Mid-Year Financial Review 2013/14
Housing Revenue Account Budget Setting Report 2013/14 to 2017/18.

5. Appendices

The Housing Revenue Account Budget Setting Report 2014/15 is appended to this report.

6. Inspection of Papers

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

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Version 2
HMB / Community
Services Final

Housing Revenue Account Budget Setting Report 2014/15

January
2014

Cambridge City Council



Version Control

	Version	for :	Anticipated Content
	1	Draft	Draft content for consultation
Current	2	Community Services Scrutiny Committee 16 January 2014	Member Scrutiny Amendments to Executive proposals Opposition budget amendment proposals
	2	Housing Management Board 16 January 2014	Member Scrutiny and Tenant and Leaseholder Input
	3	Council Meeting 27 February 2014	The Executive Councillor for Housing's recommended final budget proposals
	4	FINAL	Final version for publication following Council

Cambridge City Council

Housing Revenue Account

Budget Setting Report

2013/14 to 2017/18

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Section 1

Introduction

Background

Continued operation in a 'self-financing' environment requires the Housing Revenue Account to support, and potentially repay, a significant level of housing debt whilst also ensuring ongoing delivery of quality housing services. As at April 2013, the authority was supporting a housing debt of £214,753,250. The level of debt supported by the Housing Revenue Account is expected to increase to allow for the delivery of new and re-developed affordable housing, until the current debt cap of £230,839,000 is reached.

Decisions about the level of expenditure in the Housing Revenue Account are made in the context of a 30-year business plan, which is fully reviewed in January / February of each year, with a mid-year review of key assumptions taking place annually in September / October.

The level of investment in housing services is dependent upon the anticipated income streams for the Housing Revenue Account, with the most significant of these being the rental income for the housing stock.

In a self-financing environment, local decision making can drive the level of investment in the housing stock, with agreed spending priorities in line with local demand. The authority has the ability to set rents at a local level, although it does need to be recognised that the government still issues guidance for setting rents, which local authorities are expected to adhere to. However, any decision to increase rents at a lower rate than assumed in the original self-financing settlement will require some form of remedial action to mitigate the financial impact if the authority still wishes to be in a position to deliver the existing HRA Business Plan.

With greater flexibility over longer-term decision making at a local level, the Housing Revenue Account needs to continually review priorities for investment, delivering an appropriate balance between:

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

To achieve this, it is imperative that the organisation sets budgets for the short to medium term in the context of the longer-term impact of the viability of the Housing Revenue Account 30-Year Business Plan and Asset Management Plan and incorporates changes in internal methods of operation and external factors, both in the context of local priorities.

Purpose, Scope and Key Dates

Purpose

At its meeting on 24 October 2013, following consideration at both HMB and Community Services Scrutiny Committee, the Council considered the Housing Revenue Account (HRA) Mid-Year Financial Review for 2013/14. The mid-year review of factors affecting the housing service took into consideration emerging changes in both local and national policy priorities and the implications of anticipated changes in the current economic climate. The approved HRA Mid-Year Financial Review set out the agreed financial strategy for the HRA, and confirmed the framework for the detailed budget work to develop proposals for the 2014/15 budget.

As part of the preparation of the HRA Budget Setting Report, the range of assumptions on which the HRA Mid-Year Financial Review was based, was reviewed in light of the latest information available to determine whether any aspects of the strategy needed to be revised. The outcome of this exercise has provided the basis for the finalisation of the HRA budget and setting of rents for 2014/15.

This document provides detail of the outcomes of the review of key assumptions that has been undertaken, and sets out the detailed budget recommendations for consideration at meetings of both HMB and Community Services Scrutiny Committee on 16 January 2014, and ultimately at Council on 27th February 2014.

Scope

The HRA Budget Setting Report is designed to complement the Council's General Fund Budget Setting Report, providing an overview of the financial position for the HRA. It covers HRA revenue and housing capital spending, highlighting the inter-relationships between the two, and the resultant implications. The HRA is the authority's landlord account, within which all services to tenants and leaseholders are provided and funded and it is the account into which the proceeds of the rent and landlord service charges are credited.

As with the HRA Mid-Year Financial Review, a key aspect of the detailed budget work has been risk assessment and management. In order to ensure that the HRA's financial position and risks are appropriately managed over the medium and longer-term, within the financial projections, the following modelling periods have been adopted for the HRA:

For the ...	Period	Purpose / Use
HRA Mid-Year Financial Review & Budget	5 years	Detailed budget & rent setting
Longer-Term Budget Projections	30 years	Demonstrate long-term effects & ability to support debt

The 5-year forecast period includes a review of the current year budget position, a detailed projection for the following year and forward projections for the following three years, to demonstrate the full-year effects of budget proposals and decisions.

Sensitivity analysis of key factors is undertaken, as part of both the budget setting processes to ensure that effective contingency plans are available to the Council and that an appropriate level of reserves can be maintained in light of changes in assumptions.

Key Dates

The key member decision-making dates are as follows:

Date	Task
2013	
1 October	The Executive Councillor for Housing considered HRA Mid-Year Financial Review and incorporated HMB, including Tenant and Leaseholder Representative, views in recommendations to Council
10 October	Community Services considered HRA Mid-Year Financial Review

Date	Task
24 October	Council approved HRA Mid-Year Financial Review 2013/14 to 2042/43
2014	
16 January	Executive Councillor for Housing considers Community Services Scrutiny Committee views, before making recommendations to Council in respect of the capital aspects of the HRA Budget Setting Report
16 January	Executive Councillor for Housing considers HMB, including Tenant and Leaseholder Representative, views, before approving HRA revenue budgets and rent levels, presented as part of the HRA Budget Setting Report
27 February	Council approves HRA Budget Setting Report

Review of Key Factors

The work on the 2014/15 HRA Budget Setting Report takes as its starting point the key medium and long-term parameters identified and agreed as part of the Housing Revenue Account Business Plan of February 2012 and the latest updates in assumptions made as part of the HRA Mid-Year Financial Review in October 2013.

For the Housing Revenue Account the approved budget strategy included:

- A financial model that initially anticipated set-aside of resource to allow debt repayment from the point at which the first of 20 loans reach maturity, pending review of alternative treasury management options, to be presented as part of this budget report.
- A financial model assuming use of borrowing headroom, in order to increase the supply of affordable housing.
- Rent increases in line with government rent guidelines as part of the self-financing settlement.
- Housing stock that is maintained at an investment standard by the end of a 10-year period.
- The delivery, subject to viability of 250 new and re-provided homes in the initial 5 year period.
- The potential for delivery of additional homes in years 6 to 30 of the Business Plan.
- The identification of a general savings requirement of 2% in general management expenditure for 2014/15 and beyond, alongside an adjustment in responsive repairs expenditure in line with anticipated stock changes. For 2014/15 the general management

savings requirement is equivalent to £113,000, and the revenue repairs expenditure is anticipated to be reduced by £27,030.

- A priority policy fund for 2014/15 to 2017/18 at a level of £150,000, recognising some of the key challenges facing the authority as a landlord in the medium-term.
- A minimum working balance for reserves of £2m, with a continued target level of £3m.

Key factors for review

This report reviews the key factors as follows:

Factor	Section	Notes
Local Policy Context for budget setting	2	
National Policy Context and External Factors	3	
HRA Resources:		
Rent Income	4	Based on rent increases in line with government guidelines and local policy decision
Service Charge Income	4	Based on recovering full anticipated costs of service delivery
Other Income (Garages / Shops)	4	Latest projections in rent and void levels
Grant Income		Latest projections in external funding
Earmarked Funds	4	Latest projections of key funds
HRA Spending Proposals:		
2013/14 Revised Budget	5	Based on January 2014 scrutiny committee reports
Post HRA Business Plan Update Approvals	5	Based on decisions made under urgency powers and those proposed in the October 2013 and January 2014 cycle of meetings
2014/15 Budget Proposals including:		
Non-cash limit items	5	Based on latest projections / detailed estimates
Bids and savings proposals	5	Based on January 2014 scrutiny committee reports
Overall position against savings targets	5	Based on January 2014 scrutiny committee reports
PPF bids	5	Based on January 2014 scrutiny committee reports
Treasury Management Strategy	7	Review of debt repayment approach

Section 2

Local Policy Context and Priorities

Housing and Leasehold Stock

Housing Stock

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

Housing Category	Actual Stock Numbers as at 1/4/2013	Estimated Stock Numbers as at 1/4/2014
General Housing – Social	6,607	6,405
General Housing - Affordable	0	20
Sheltered Housing	520	506
Supported Housing	24	24
Temporary Housing (Individual Units / HMO's / EA)	65	85
Miscellaneous Leased Dwellings	19	18
Shared Ownership Dwellings	86	86
Total Dwellings	7,321	7,144

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

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2012	Actual Stock Numbers as at 1/4/2013	Estimated Stock Numbers as at 1/4/2014
Bedsits	112	112	98
1 Bed Flat / Maisonette	1,638	1,630	1,515
2 Bed Flat / Maisonette	1,267	1,260	1,256

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2012	Actual Stock Numbers as at 1/4/2013	Estimated Stock Numbers as at 1/4/2014
3 Bed Flat / Maisonette	41	42	40
1 Bed House / Bungalow	188	189	167
2 Bed House / Bungalow	1,136	1,130	1,122
3 Bed House	2,269	2,248	2,236
4 Bed House	95	95	95
5 Bed House	7	7	7
6 Bed House	2	2	2
Sheltered Housing	525	520	520
Total Dwellings	7,280	7,235	7,058

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

Stock Category	Actual Stock Numbers as at 1/4/2013	Estimated Stock Numbers as at 1/4/2014
Modern or Refurbished Schemes		
1 Bed Flat	399	399
2 Bed Flat	51	51
1 Bed Bungalow	3	3
2 Bed Bungalow	2	2
Schemes Undergoing / Awaiting Modernisation		
Bedsit	14	2
1 Bed Flat	51	49
Total Sheltered Dwellings	520	506

Leasehold Stock

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

At 1st April 2013, the Council retained the freehold and managed the leases for 1,092 leasehold flats.

Review of Local Policy Context

The local policy context and priorities for the Council are agreed in May each year through the adoption by Council of an Annual Statement. The Annual Statement approved in May 2013, reaffirmed the 'Vision for the City' and agreed how the Council would work towards meeting the vision during 2013/14 and beyond.

Council and Housing Vision

Council Vision

Cambridge – where people matter

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

Cambridge – a good place to live, learn and work

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

Cambridge – caring for the planet

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

2013/14 Detailed Agenda

- Shaping the Cambridge of the future
- Addressing our financial challenges
- Responding to Welfare Reform
- Seeking a new deal for the Greater Cambridge area

Housing Vision

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

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

Portfolio Plan

The strategic objectives for the HRA are set out in the Housing Portfolio Plan which is available in full on the City Council website.

The Council's Vision is translated, from a housing perspective, into three strategic objectives for 2013/14, as detailed in the Housing Portfolio Plan.

These are:

- Maximise the delivery of new sustainable housing in a range of sizes, types and tenures, at least maintaining current standards and driving energy efficient homes for residents.
- Make the best use of existing homes.
- Deliver good quality housing related advice to help prevent homelessness.

The Council as a Housing Provider

The Council is the main provider of housing in Cambridge.

In keeping with the overall Vision for the Council the principles behind why the Council provides housing are as follows.

- To provide housing of all kinds and to remain flexible in its provision of housing services to meet the prevailing needs of the local community over time.
- To have direct influence on meeting local housing need that is not met by the market, as a significant, community-based provider of affordable housing.
- For policy direction and decision-making to be a co-production between democratically elected councillors and resident representatives.
- To draw upon the wider skills, expertise and knowledge of the Council to deliver a 'One Council' response to residents.

Tenant and Leaseholder Consultation

STAR Survey 2012 – Satisfaction Levels

The last satisfaction survey was undertaken in February 2012.

The overall satisfaction in services provided by the landlord increased to 83% from 82% in 2008 (72% to 76% on a net satisfaction basis) and of the 13 key questions asked, the trends were positive between 2008 and 2012 in all but two cases.

The ability of staff to deal with tenants problems reduced slightly from 76% to 75% (on a gross satisfaction basis) between the two survey periods, whilst satisfaction that the landlord listens to views and acts upon them went down from 65% to 60%.

STAR Survey – Identification of Tenant Investment Priorities

In the 2012 STAR satisfaction survey, respondents were asked to rank a number of areas of potential investment in their order of priority, with the top five for general needs and sheltered housing combined being:

1. Building new council housing
2. Repairing your home
3. Providing sheltered accommodation for older people
4. Dealing with enquiries and providing support to tenants
5. Tackling anti-social behaviour

STAR Survey 2014 – Planning ahead

The Resident Involvement Service has subsequently taken forward a series of actions around tenant satisfaction; with the hope of working to positively influence the 30% of tenants who in 2012 were 'neutral' on whether they felt their views were acted upon by the Council, and to ensure that Resident Involvement becomes a force driving performance in the housing service.

Some of the key activity has included:

- Ensuring that the new post of Resident Involvement Facilitator focuses on developing residents' groups on estates to be an independent tenant voice.
- Running a series of features in Open Door, engaging residents with the results and impacts of the 2012 STAR survey, including:
 - Tenants' top 5 priorities from STAR, and how we're delivering them
 - The new RI Facilitator ensuring we are listening to and acting on tenants' views on estates
 - Community/Environment Days and the Cambridge Standard: showing how we listen to and act on tenants' views
 - Open Door postal surveys on deciding spending direction, designed with residents
 - Features showing how residents are now involved in the whole STAR cycle
 - Features showing how we've improved our complaints system, and resulting service improvements

In June 2014, the authority will repeat the STAR Survey, seeking views from tenants and leaseholders on issues around satisfaction, repairs and maintenance priorities, financial concerns and service access limitations, as well as taking the opportunity to gather up-to-date contact and diversity information.

Three separate surveys will be sent out to all general needs tenants, sheltered scheme residents and leaseholders, with the results for each group presented separately. This differs from the survey undertaken in 2012, where representative samples of residents were sent survey forms. Resident representatives will be involved in designing the 2014 STAR survey, including setting the questions.

Partnership Working and Shared Services

The organisation and the Housing Service recognise the benefits, and therefore promote, partnership working and shared services wherever possible. Opportunities to work in partnership with other local authorities, although challenging, can deliver significant efficiencies in both cost and service delivery terms.

Cambridge City Council has been actively involved in the submission of a bid to Central Government for a City Deal. The bid has involved a partnership of Cambridge City Council, Cambridgeshire County Council, South Cambridgeshire District Council, The University of Cambridge and the Greater Cambridge Greater Peterborough Enterprise Partnership, and if successful will see significant investment in the greater Cambridge area in respect of transport, infrastructure and housing.

The 2013 Autumn Statement announced the Government's commitment to delivering a City Deal, although this will still require the Government to change current legislation. The work to formulate the bid has fostered closer working with South Cambridgeshire District Council in terms of new build affordable housing development.

The ongoing increased investment in our housing stock as part of the 30-Year HRA Business Plan necessitates the authority seeking a new partner / partners to deliver planned maintenance services, both in terms of capital investment (including decent homes) and planned / cyclical

revenue expenditure, from April 2014, when the existing partnership arrangements are expected to be fully exhausted.

Discussions are underway to explore opportunities to work in partnership with Cambridgeshire County Council and other support providers, to ensure, where possible, that council tenants continue to receive support services from a support provider with strong links to their landlord.

Section 3

National Policy Context & External Factors

National Policy Context

National Rent Setting Policy for Social and Affordable Rents

As part of the Comprehensive Spending Review in 2013, government announced plans for future rent policy for social housing. Following these announcements, Communities and Local Government issued a consultation on 31st October 2013 seeking the views of local authorities and registered housing providers on the following proposals:

- The continuation of the basic formulaic methodology for calculating formula rents for social housing.
- A new rent policy to apply for 10 years from April 2015.
- A move from the historic inflationary increase in rent levels of RPI (Retail Price Index) plus 0.5% to using CPI (Consumer Price Index), at the preceding September, plus 1%.
- That rent convergence will not be extended beyond 2014/15.
- The expectation that local authorities will have either reached formula rent by April 2015, or will increase rents to formula rent levels upon re-let after this point.
- The expectation that landlords will charge "affordable rents" (up to 80% market rent inclusive of service charge) for new build properties built either with HCA funding or as part of the one for one replacement programme. At re-let, affordable rents should be re-based to ensure that they remain at 80% of current market rent (the Council's Tenancy Strategy calls for affordable rents to be no higher than local housing allowance levels, which are currently approximately 65% of market rents).
- The ability to charge tenants in social rented housing with high incomes (over £60,000 a year), a fairer level of rent.
- Continuation of the limit rent and the application of rent rebate subsidy limitation where a local authority charges actual rents that exceed limit rents on average.

The commitment to a long term rent policy is intended to provide certainty and stability for both social landlords and investors, and is designed to support providers in securing private finance.

"The proposed new policy is intended to ensure that all social tenants, in future, see their rent increase on the same basis. It will also help control the housing benefit bill, which is a key priority for Government".

Local authorities are expected to have regard to guidance issued by Government on rent policy when setting rents. The consultation runs from 31st October 2013 to 24th December 2013, with the response to the consultation to follow in January 2014.

Affordable Rents

Government grant available for new affordable homes has been reduced significantly. To secure grant, providers continue to be required to charge Affordable Rents (up to 80% market rents) on new homes, with the aim that the additional income will fund additional new affordable housing.

For the 146 new and re-developed homes currently being built through the Affordable Housing Development Programme, the authority has negotiated rent levels at or around 65% of local market rents and within Local Housing Allowance levels.

Tenancy Strategy and Tenure Reform

The Council agreed a Tenancy Strategy in June 2012, providing advice for Registered Providers on the issues to be taken into account when deciding types and lengths of tenancy to offer, and the circumstances under which any fixed term tenancies will be reviewed. A local Tenancy Policy for the Council's tenants was also agreed.

Following a review of the policy, a report will be presented to Housing Management Board in January 2014, recommending and seeking approval for specific circumstances where fixed term tenancies could be considered, and utilised, by the authority.

Lettings Reform

Following the introduction of new national guidance on allocations in June 2012, the authority reviewed its Lettings Policy at Community Services Scrutiny Committee on 17th January 2013

and subsequently required all applicants on the register to re-apply for housing. The Home-Link re-registration process and the Council's housing register review took place between January and June 2013.

Housing Register Review

From a high of 8,850 at 31st December 2012 the number on the register as at 10th December 2013 stood at:

- 1,833 live applications (13% band A, 25% band B, 30% band C, 29% band D and 3% band D*)
- 2,487 pending applications, awaiting validation of various proofs which pertain to the application (2% band A, 18% band B, 29% band C, 50% band D and 1% band D*)

A D* classification means that applicants have sufficient resources to find their own alternative housing option.

Housing Need

Delivery of affordable housing in Cambridge has been driven to date by the Affordable Housing Supplementary Planning Document (AHSPD), which shows what the dwelling mix should be for new homes between 2011 and 2031, based on a continuation of trends from 1991 to 2010. For Cambridge this showed a mix as follows (Reference point - SHMA Chapter 12 published May 2013):

Property Size	% Mix per AHSPD
Bedsit / 1 Bed	6%
2 Bed / 3 Bed (2 Bed & 2 Reception rooms)	33%
3 Bed / 4 Bed (3 Bed & 3 Reception rooms)	43%
4 Bed / 4+ Bed	19%
Total	100%

Following the review of the housing register, the identified need for specific types / sizes of accommodation at December 2013, for applicants at bands A and B only, was as follows:

Property Size	% of Band A & B Applicants on the Housing Register with Identified Need
1 Bed	45%
2 Bed	39%
3 Bed	11%
4 Bed	5%
Total	100%

In light of the changes in housing benefit and removal of the spare room subsidy, recognition needs to be given to the provision of one-bedroom accommodation that is delivered to appropriate space standards.

With all of the information now available, consideration needs to be given to the appropriate mix of housing to be delivered on all future new build sites.

Future Reviews

The Council will be using the Home-Link IT system provider *Locata* to assist with an automated review process so that the register can remain as current as possible and to be in a position to best reflect the housing needs of the local population. This process is due to start in January 2014 and will operate thereafter on a regular rolling programme.

Welfare Reforms

In respect of under-occupation cases, Discretionary Housing Payments continue to be considered by the Housing Benefits Service, with time-limited top up payments being awarded in specific circumstances from a finite allocation of resource, allowing tenants the time to make alternative housing arrangements. In some cases, tenants are registered with Homelink, and are actively looking to downsize to a property which suits their household size in Housing Benefit terms. DHP can be awarded to meet the additional rent payments whilst this takes place. At the end of August 2013, it was estimated that 45% of residents affected were paying the additional rent due, with an estimated £29,000 of arrears relating to households affected by the social sector size criteria reduction.

The Benefit Cap, (a cap of £500 per week for families, and £350 per week for a single person), introduced from 15th July 2013, currently impacts 12 City Council tenants, based upon the

cases notified to us by the Department for Work and Pensions (DWP) at the time of writing this report.

The introduction of Universal Credit has been further delayed, with additional pilot projects taking place during the autumn of 2013. Introduction in Cambridge is now anticipated to be from March 2015.

From the point of introduction, new claimants for Job Seekers Allowance (working age and income based), Income Support, Employment & Support Allowance (income related), Child Tax Credit, Working Tax Credit and Housing Benefit, will claim Universal Credit. Claimants will be paid directly, and will receive monthly payments, in arrears, administered centrally by the DWP. Pensioners continue to be excluded from these arrangements at present.

If residents build up excessive arrears, anticipated to be in the region of 8 weeks, there is expected to be the opportunity for the creditor to make an application for a direct payment, with rent being paid to the landlord directly by DWP, until the point at which the arrears have been cleared.

The full impact of these reforms remains unquantifiable at present, but the experience of many of the pilot authorities is a significant increase in both rent arrears and collection and recovery costs.

Supporting People

There is still future uncertainty in respect of the funding, managed on a county-wide basis by Cambridgeshire County Council, for the provision of support services in the city.

Cambridge City Council are currently contracted to deliver support services in sheltered housing, extra care housing and temporary accommodation across the housing stock. The current contracts have been operating under temporary extensions whilst the County Council decided upon the most appropriate delivery vehicle for the future.

In respect of support services for older people, the County Council have confirmed that they do not intend to issue a formal tender, but instead expect to work directly with the City Council to deliver services in line with agreed criteria and discussions are already underway to progress

this. It is likely that discussions regarding the provision of support services in temporary housing may take the same direction.

The table below summarises the current funding received for the provision of support services, highlighting the current contractual position for the authority.

Contract	No. of Contract Units	Contract Status	Budgeted Support Income 2013/14 (£)	Estimated Support Income 2014/15 (£)	Risks / Ongoing Assumptions
Temporary Housing	60	Block Gross Contract Extension expires 31/3/2014.	132,070	TBC	Initial discussions underway re the potential to deliver services collaboratively
Sheltered Housing	468	Fixed Price Contract Re-extension expires 31/3/2014	212,450	TBC	Formal discussions underway re the delivery of services collaboratively
Community Alarms	44	Fixed Price Contract Anticipated to expire 31/3/2014 in line with sheltered housing contracts.	9,310	TBC	Potential to contract direct with each landlord in isolation or let a contract county-wide.
Ditchburn Place (Extra Care)	36	Fixed Price Contract Extension expires 31/3/2015.	45,740	45,740	Extension carries financial risks for the General Fund, as care is currently being subsidised by the City Council.
Total Maximum Support Income (Gross of Voids)			399,570	TBC	

External Factors

The Housing Revenue Account continues to be impacted upon by a number of external factors, all of which are outside of the direct control of the organisation, with little or no ability

for the organisation to influence them. In making strategic budgetary decisions, judgements have been made about the likely direction of travel for many of the factors.

Inflation Rates - Annual Inflation

The table below shows the movement in each of the main measures of inflation over the last 10 years:

Year	RPI % Annual Inflation	RPI(X) % Annual Inflation	CPI % Annual Inflation	CPI(Y)% Annual Inflation	BCIS
2004	3.1	1.9	1.1	1.0	2.0
2005	2.7	2.5	2.5	2.6	10.5
2006	3.6	3.2	2.4	2.6	3.2
2007	3.9	2.8	1.8	1.7	4.8
2008	5.0	5.5	5.2	5.4	4.2
2009	-1.4	1.3	1.1	2.2	-10.4
2010	4.6	4.6	3.1	1.5	-6.3
2011	5.6	5.7	5.2	3.7	4.8
2012	2.6	2.6	2.2	2.1	-1.8%
2013	3.2	3.2	2.7	2.8	9.3%

Inflation Rates - Monthly Inflation

The table below shows the movement in each of the main measures of inflation over the last 12 months:

Year	RPI % Monthly Inflation	RPI(X) % Monthly Inflation	CPI % Monthly Inflation	CPI(Y)% Monthly Inflation
October 2012	3.2	3.1	2.7	2.7
November 2012	3.0	2.9	2.7	2.7
December 2012	3.1	3.0	2.7	2.7
January 2013	3.3	2.3	2.7	2.7
February 2013	3.2	3.2	2.8	2.8
March 2013	3.3	3.2	2.8	2.9
April 2013	2.9	2.9	2.4	2.6
May 2013	3.1	3.1	2.7	2.9
June 2013	3.3	3.3	2.9	3.1
July 2013	3.1	3.2	2.8	2.9
August 2013	3.3	3.3	2.7	2.8
September 2013	3.2	3.2	2.7	2.8
12 Month Average	3.2	3.1	2.7	2.8

Fluctuation in inflation rates has remained relatively static over the last 12 months, with small increases and decreases affecting the average rates only marginally.

The work undertaken in 2013, culminating in approval of the HRA Mid-Year Financial Review in October 2013, assumed the use of 2.5% in general inflation (CPI) for 2014/15 and beyond. It is not proposed that any change is made in relation to these assumptions as part of the budget setting process for 2014/15.

The rate of inflation applied in respect of rent increase as part of the 2014/15 budget setting process will be RPI at 3.2%, plus 0.5%, in line with the current government guidelines. The rate of RPI assumed as part of the HRA Mid-Year Financial Review was 3%, resulting in marginally higher rental income than originally anticipated. The financial modelling assumption for future rent increases will adopt the rate of CPI plus 1% in line with the current government consultation, where the assumptions made by government have already been incorporated as part of the national spending review.

Interest Rates on Lending

The Council's General Fund lends externally, on a short-term basis, any cash balances that are held at any point within the financial year. In respect of any revenue balance held by the Housing Revenue Account or balance held in the Major Repairs Reserve, the General Fund is required to pay the interest earned across to the Housing Revenue Account.

The level of interest that the authority has been able to earn in recent years remains low, with interest receivable by the Housing Revenue Account therefore being minimal in comparison to sums earned 5 to 10 years ago. On this basis, it is prudent to ensure that funds are invested appropriately to receive the greatest return, and in the current financial climate, consideration should be given to the Housing Revenue Account investing in property, where it can be demonstrated that investment can generate a higher return than funds invested elsewhere.

Status	Year	Interest Rate Earned on Balances
Actual Rates Earned	2008/09	5.35%
	2009/10	1.36%
	2010/11	0.57%
	2011/12	0.72%
	2012/13	0.81%
Estimated Rates	2013/14	0.64%
	2014/15	0.64%
	2015/16	1.25%
	2016/17	1.25%
	2017/18	1.5%

Interest Rates on Borrowing

The Housing Revenue Account supports an external debt portfolio of £213,572,000, consisting of 20 Public Works Loans Board (PWLB) maturity loans, with redemption dates of between 26 and 45 years, at interest rates ranging between 3.46% and 3.53%.

The borrowing requirement currently identified in the next 5 years of the HRA Business Plan will be considered internally before external funding is sought. However, assumptions of the rates chargeable to the HRA have been made in line with lending rates available externally from the PWLB for prudence.

The authority can access a certainty rate with the Public Works Loans Board, which is renewed on an annual basis, with the current agreement confirmed until 31st October 2014. This allows the authority access to a 20 basis point reduction against the standard PWLB rates in respect of any new borrowing.

The tables below show the interest rates available as at November 2013. The first table indicates the certainty rate that will be available until 31st October 2013, with the assumption that the authority would only be able to secure the standard rates after this time.

Loan Length (Years)	Interest Rate (Certainty Rate for New Loans – Available to 31 st October 2015)		
	EIP	Annuity	Maturity
5 Years	1.78%	1.78%	2.61%
10 Years	2.61%	2.66%	3.70%
15 Years	3.26%	3.37%	4.13%
20 Years	3.70%	3.82%	4.30%
25 Years	3.96%	4.09%	4.37%
30 Years	4.13%	4.23%	4.40%
35 Years	4.23%	4.32%	4.40%
40 Years	4.30%	4.37%	4.38%
45 Years	4.34%	4.39%	4.37%
50 Years	4.37%	4.40%	4.36%

Loan Length (Years)	Interest Rate (Standard New Loan Rate)		
	EIP	Annuity	Maturity
5 Years	1.98%	1.98%	2.81%
10 Years	2.81%	2.86%	3.90%
15 Years	3.46%	3.57%	4.33%
20 Years	3.90%	4.02%	4.50%
25 Years	4.16%	4.29%	4.57%
30 Years	4.33%	4.43%	4.60%
35 Years	4.43%	4.52%	4.60%
40 Years	4.50%	4.57%	4.58%
45 Years	4.54%	4.59%	4.57%
50 Years	4.57%	4.60%	4.56%

Right To Buy Sales

Following changes in the right to buy legislation in April 2012, the authority continues to experience an increased level of right to buy activity.

In 2012/13, 135 right to buy applications were received, with 41 of the applications proceeding to completion of the sale of the property. In the first 7 months of 2013/14, the Council has received 64 right to buy applications, with 29 completions having taken place, indicating that although the higher level of sales is continuing and possibly increasing in the short term, there is a slight slowing of interest for the future.

The Chancellor's Autumn Statement 2013 noted that the 2012 reforms to the right to buy scheme delivered a step-change in the level of sales (8,400 from 3,740 nationally from 2011/12 to 2012/13), and announced further support for the scheme. This will take the form of the introduction of Right To Buy Agents to help buyers complete their home purchase, together with the provision of £100m to establish a national fund to improve applicants' access to mortgage finance.

Given that the authority is yet to see the full detail of the proposals, it is difficult to predict what effect the new measures will have on the future of right to buy applications within the city. It is therefore proposed to include a profile of sales based upon a tapering of interest in the scheme until an ongoing level of 15 is achieved by 2018/19. This assumption will be reviewed in light of experience as part of the September 2014 HRA Mid-Year Financial Review process.

Status	Year	Right to Buy (RTB)			Rent to Mortgage (RTM)			Total
		House	Flat	Bedsit	House	Flat	Bedsit	
Actual Sales	2008/09	2	4	0	0	0	0	6
	2009/10	11	2	0	0	0	0	13
	2010/11	12	5	0	0	0	0	17
	2011/12	7	5	0	0	0	0	12
	2012/13	26	15	0	0	0	0	41
Estimated Sales	2013/14							42
	2014/15							35
	2015/16							30
	2016/17							25
	2017/18							20

Right To Buy Receipts

The authority is subject to a revised agreement with CLG, effective from 1 April 2013, allowing the authority to retain some right to buy receipts, but still subject to a set of specific conditions.

The call on right to buy receipts remains as follows:

- Receipts from assumed sales (10 to 17 sales each year depending upon the year) - split between CLG (75%) and the authority (25%) after allowable deductions, as assumed in

the self-financing settlement. The 25% retained currently funds our General Fund Housing expenditure.

- Receipts from sales over and above the 10 to 17 – the first call on these receipts is a sum considered comparable with the debt (attributable debt) that the authority holds in respect of each dwelling. These receipts can be used for debt repayment, or alternatively could be used for HRA capital purposes, e.g.; investment in new affordable housing.
- Any residual receipt, a one-for one receipt, is retained in line with the agreement with CLG and must be spent to fund the delivery of new social housing, with a maximum of 30% of any dwelling being funded via this mechanism. The balance must be funded from the Council's own resources or through borrowing. There is a 3-year time limit on spending the balance to deliver new units, with the receipt having to be paid to central government, with interest (at 4% above the base rate) if not spent appropriately.

It should be noted that there are future risks attached in spending the sums retained in respect of the attributable debt element of the formula in the early years, as the government calculates the sum due to CLG on a cumulative basis year on year. If right to buy sales fall in the later years of the business plan, CLG will claw back monies from all right to receipts in-year, until they have arrived at the total sum due to them overall. This could mean that the authority receives no capital receipt from right to buy sales in any one year, thus putting at jeopardy the funding assumed to be available for the general fund housing elements of the Housing Capital Investment Plan in the year in question. Any sums retained in respect of potential debt redemption, could be used to fund general fund housing expenditure in these years, if retained for this purpose.

In respect of one-for-one receipts, it is not possible, under the terms of the agreement with CLG, to use the receipt to fund the development of a dwelling that is already receiving any other form of public subsidy, e.g.; Homes and Communities Agency grant.

As the resource held is capital in nature, the General Fund currently benefits from any interest earned on it. If any unused receipts have to be paid over to central government, the 'penalty' interest payable will far exceed the level of interest that the General Fund will have earned in the interim.

The table below identifies the current one-for-one receipts held by the HRA.

Quarter date for Receipt	Retained one-for-one Receipt Value (Per Quarter)	Total Amount of New Build Expenditure Required for the Quarter	Value of 70% Top Up Funding Required for the Quarter	Deadline for Receipt to be spent on Completed Dwelling	Financial Year for Spend By
30/6/2012	0.00	0.00	0.00	N/A	N/A
30/9/2012	305,694.44	1,018,981.47	713,287.03	30/9/2015	2015/16
31/12/2012	1,052,927.43	3,509,758.10	2,456,830.67	31/12/2015	2015/16
31/3/2013	721,056.95	2,403,523.16	1,682,466.21	31/3/2016	2015/16
30/6/2013	558,506.20	1,861,687.34	1,303,181.14	30/6/2016	2016/17
30/9/2013	646,931.99	2,156,439.96	1,509,507.97	30/9/2016	2016/17
Total	3,285,117.01	10,950,390.03	7,665,273.02		

The proposals for the 2014/15 budget process, presented as part of this HRA Budget Setting Report include recommendations to identify appropriate resource to allow the use of the right to buy receipts retained to date.

The authority has taken steps to begin a review of the balance of investment in the current HRA Business Plan between the provision of services, investment in existing housing stock and in delivering or acquiring new affordable housing, before potentially releasing existing and future one-for-one receipts directly to Central Government, as delivery of new build affordable housing is only possible if the authority already has the 70% top up funding or the ability to borrow it within its borrowing cap.

The HRA currently has sufficient borrowing capacity to fulfil the existing obligations under the one-for-one agreement for receipt received to the end of September 2013, but consideration needs to be given to either reducing investment in other areas of the housing service or moving away from set-aside of resource to repay debt, if future one-for-one receipts are to spent appropriately; particularly if the measures in the Autumn Statement result in increased levels of right to buy sales.

Section 4

Housing Revenue Account Resources

Rent Arrears and Bad Debt Provision

Rent collection performance locally has been consistently good, with approximately 98% of the value of current tenant arrears brought forward and new rent due, collected in year.

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

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2009	£595,366	2.01%	£633,797
31/3/2010	£625,433	2.05%	£642,521
31/3/2011	£582,400	1.88%	£746,852
31/3/2012	£655,177	1.98%	£863,677
31/3/2013	£661,246	1.86%	£862,042

Maintaining and improving the performance with regard to collection of rent income is key in the delivery of the Housing Revenue Account Business Plan.

Performance in the collection of current tenant debt was maintained in 2012/13. Performance in the early part of 2013/14 has been maintained, when compared with the profile in 2012/13, despite the economic climate, changes imposed with the removal of the spare bedroom subsidy and the initial impact of the benefit cap, introduced in July 2013. Officers continue to work proactively with all tenants, but particularly those affected by the benefit changes, in an attempt to minimise the financial impact on the Housing Revenue Account and maintain or improve upon the current level of rent arrears by the end of 2013/14.

The position is anticipated to worsen during 2014/15, with the introduction of Universal Credit, based on the initial experience of pilot authorities seeing a marked increase in the level of rent arrears.

To ensure ongoing proactive work in respect of rent collection and arrears recovery in a challenging environment, the budget proposals presented in this report incorporate the recommendation that the two dedicated Welfare Reform Assistant Housing Officer posts, originally approved for 2 years from 1st April 2013, be included on an ongoing basis. The staff will be employed to specifically to manage rent arrears and work with the DWP to facilitate direct payment if, and when, arrears levels exceed 4 weeks on a case by case basis.

From 2014/15, a higher level of contribution into the bad debt provision has previously been incorporated, assuming the need to collect 100% of rent from some point during 2014/15. As part of the 2014/15 mid-year financial review process, further consideration will be given to whether this is increased further in light of the experience of the pilot authorities.

The Housing Revenue Account maintains a provision for bad and doubtful debt, with the value of the provision reviewed annually, taking into consideration both the age and value of outstanding debt at the time. At 31 March 2013, the provision for bad debt stood at £1,204,518, representing 79% of the total debt outstanding.

Void Levels

The value of rent not collected as a direct result of void dwellings in 2012/13 was £368,335, representing a void loss of 1.11%, compared with £354,050 in 2011/12, representing a void loss of 1.15%.

Void levels currently combine general voids, where re-let is applicable and a large number of dwellings where the void will ultimately result in demolition of the dwelling as part of the re-development programme, where properties are vacated well in advance of works commencing.

Financial Year End	No. of General Year End Voids	No. of Sheltered Refurbishment Year End Voids	No. of Re-Development / Disposal Year End Voids	Total Year End Voids
31/3/2009	73	40	40	153
31/3/2010	54	37	42	133
31/3/2011	38	37	16	91
31/3/2012	73	37	20	130
31/3/2013	56	0	98	154

The level of general voids at 31st March 2013 was only 0.76%, but it is considered prudent to continue to assume an ongoing void level of 1% in general and sheltered housing, recognising the release of a considerable amount of new build affordable housing on the southern fringe, and the decision to refurbish Ditchburn Place in 3 phases.

Changes in Council Tax discounts and exemptions from April 2013 mean that the HRA is negatively impacted far sooner than previously experienced in respect of Council Tax liability for an empty dwelling.

Whereas previously, the HRA received a six month exemption for zero occupancy, followed by a 50% discount for an empty unfurnished dwelling, the exemption now only applies for one month, after which full Council Tax is payable. This not only impacts the existing housing stock, but also means that Council Tax will be payable on new build schemes one month after they are deemed complete by the Council Tax Inspector.

Officers are introducing amended practices in an attempt to mitigate this cost, but it is not practicably possible to eradicate the increased costs altogether.

Rent Restructuring

The HRA Self-Financing debt settlement assumed that all local authorities complied with government guidelines for setting rents, and imposed rent increases over a period of time, until target rents were arrived at.

The government consultation on rent setting from April 2015 introduces a different dynamic to the assumptions made, both as part of the HRA self-financing debt settlement, and our resulting HRA Business Plan.

In April 2014, local authorities are expected to continue to adhere to the rent restructuring principles, with increases for tenants of Cambridge City Council being a combination of two factors:

- An inflationary increase (inflation of 3.2% using the Retail Price Index at September 2013 plus 0.5%)
- A £2.00 per week increase to close the gap between the target rent and the actual rent, assuming that convergence is intended to be April 2015

Under the terms of the guidance currently being consulted upon, from April 2015, social rented tenants of Cambridge City Council would receive an inflationary increase (inflation using the Consumer Price Index at September plus 1%) only, with no move towards target rents.

The guidance does however assume that the authority moves the rent level for all void / vacant properties straight to target rent upon re-let.

Adhering to this expectation, residents of Cambridge City Council will continue to move towards a target rent for each property at April 2014, with the continued protection of the limit on any individual increase, of inflation (based upon the retail price index of the preceding September) plus 0.5% plus £2.00 per week.

With target rents for Cambridge City Council still considerably above actual rents, it will be many years before target rents are achieved in totality, assuming rents are only increased when property becomes void. Currently, only 1.8% of the housing stock has reached target rent levels, despite decisions to increase energy efficient void properties directly to target from April 2013.

At April 2013, the average actual rent was representative of 93% of the average target rent. It is currently estimated that the average actual rent will be representative of 95% of the average target rent by April 2014, assuming government guidelines continue to be adhered to.

From April 2015, it is estimated that in the region of 4% of properties will move to target rent when dwellings are void, although this percentage will decrease over time, as properties already at target rents become void and are re-let again. With lifetime tenures, under this methodology, a proportion of the housing stock will not achieve target rent during the life of the business plan.

At the start of 2013/14, the average target rent for the general housing stock was £99.81, the limit rent was £96.50 and the average actual rent being charged was £92.78. Limit rent is set by government, and is the rent level over which the HRA would need to pay rent rebate subsidy limitation to the General Fund, impacting the level of subsidy received from the Department for Work and Pensions for housing benefit payments. For April 2014, the government are yet to announce the limit rent, with an indication in the CLG Rent Consultation that this will be announced as part of the response to the consultation.

If the government followed the existing trajectory in line with the current rent restructuring guidelines, the limit rent would be approximately half way between where it is currently and target rent from April 2014, and would match target rent from April 2015, with rent rebate subsidy limitation no longer existing. It is currently unclear from the consultation the basis upon which limit rent will be set for April 2014 and beyond.

There is still some discretion in the government's current rent restructuring regime in how rents are set at a local level, with an option to use an element of flexibility in the calculation of target rents (5% for general stock housing and 10% for sheltered housing), as long as the average rent does not exceed limit rent. This option has not been exercised locally to date.

Rent Policy

The local rent setting policy was last updated in January 2013.

The policy allows for the transition of energy efficient void properties direct to target rent before re-let. Based upon activity in 2013/14 to date, approximately 51% of void dwellings have been re-let at target rents. This is lower than anticipated, due to a number of properties having an energy efficiency rating below C, coupled with the inability to inspect and assess all void dwellings before they are nominated to and re-let. Re-inspections are not currently being undertaken at the end of a void period, as by this point a property has usually been offered.

The recent consultation on national rent setting policy has prompted a review on the process for moving rents for void properties to target rent, and the current methodology may need to change.

In the first 6 months of 2013/14, the rent for approximately 128 properties has moved directly to target rent. If this trend were to continue, it could be estimated that 3.5% of the housing stock would move directly to target rent in any one financial year.

Using the actual differential between target and actual rents in respect of the properties moved direct to target rent in 2013/14 to date, an additional £80,000 could be recovered in a full year, with this annual sum reducing in 2014/15 as actual rents move nearer to target rents under the current rent restructuring formula.

Rent Setting

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

The HRA Self-Financing settlement, and the resulting level of debt that Cambridge City Council took on, was derived from financial projections undertaken nationally, using the assumptions that rents continue to be increased in line with government guidelines, until target rents are achieved.

Any decision to increase rents at a lower rate than assumed in the self-financing settlement and business plan, will require some form of remedial action to mitigate the financial impact if the authority still wishes to be in a position to deliver the existing HRA Business Plan.

Any decision to apply a higher rent increase in April 2014 in an attempt to mitigate the future impact of the proposed cessation of rent restructuring, would result in tenants receiving one-off rent increases in excess of the inflation (RPI at September 2013) plus half a percent, plus £2.00 per week limit, resulting in significant increases for individuals.

On balance, it is considered most appropriate to assume that the authority continues to follow government guidelines in the setting of rents for 2014/15, applying the final year of the phased rent restructuring regime, as assumed in both the Self-Financing and HRA Business Plans.

Based on the assumption that April 2014 will be the last year that rent restructuring will apply, and will therefore become the intended year of convergence and assuming the outcome of the consultation is as currently proposed, any occupied property below target rent would be increased either to target rent from April 2014, or by the limit of inflation (using RPI of 3.2% as at September 2013) plus half a percent plus £2.00 per week on a 52 week basis, whichever is the lower.

This will result in an average rent increase for Cambridge City Council general and sheltered tenants of 5.76%, equivalent to £5.36 per week on a 52-week basis.

Service Charges

Service charges are levied for services that are not pure landlord functions, and are provided to some tenants and not others, depending upon the type, nature and location of the property. Some of these services are eligible for housing benefit, depending upon the nature of the service.

The majority of services provided to tenants of Cambridge City Council are now separately identified, with the exception of communal electricity, grounds maintenance and estate services to non-sheltered flatted accommodation, where work is being undertaken to determine whether there is any benefit to identifying these charges separately.

Building cleaning and window cleaning services are subject to review currently, with the expectation that new arrangements will be in place from October 2014.

Service charges are currently levied for the following services:

- Caretaking (General Housing)
- Communal Cleaning
- Estate Services Champion (General Housing)
- Window Cleaning

- TV Aerials
- Door Entry
- Passenger Lifts
- Gas Servicing
- Electrical / Mechanical Maintenance (Sheltered / Temporary Housing)
- Grounds Maintenance (Sheltered)
- Premises (Sheltered / Temporary Housing)
- Cleaning (Extra Care Housing)
- Utilities (Sheltered / Temporary Housing)
- Support (Sheltered / Supported Housing)
- Paving Maintenance (New Schemes with un-adopted highways)

Proposed service charge levels for 2014/15 are detailed at Appendix B.

Other Sources of Income

Garages

The Housing Revenue Account currently owns 1,834 residential garages, and manages a further 23 on behalf of the General Fund. 133 of these garages are currently identified for demolition as part of the affordable housing development programme schemes approved to date.

Following identification of issues surrounding both the condition and occupancy levels of HRA garages, a member / officer working group met and proposed a number of changes, which were approved at HMB in June 2013.

The key changes included:

- Revised tenancy conditions
- A variable charging structure
- Agreement for a detailed cost appraisal for the St Matthews Street garage site
- Confirmation that a programme of 135 garages would be refurbished during 2013/14, with an estimated 110 in 2014/15, which are still subject to identification

The approved garage charging structure for 2013/14 is as follows:

Category	Rent £ per rent week	VAT £ per rent week	Total Charge £ per rent week
Tenant of City Homes (for storing a motorised vehicle)	9.13	0.00	9.13
Other Resident with Garage within ½ mile of address (for storing a motorised vehicle)	9.13	1.83	10.96
Other Resident (Within Cambridge City) with Garage over ½ mile of address (for storing a motorised vehicle)	11.13	2.23	13.36
Public Body/Charity (for storing a motorised vehicle)	15.40	3.08	18.48
Non Cambridge City resident or Business / Commercial / General Storage Use	17.40	3.48	20.88
Tenant of City Homes (For general storage)	17.40	3.48	20.88
City Homes Use	17.40	0.00	17.40

The changes in charging structure were effective from 7th October 2013, once all the necessary communications and formal notice had been provided to garage tenants. Early indications are that the increase in charges for garages being used for storage purposes, or by those residing over half a mile from the garage are likely to offset the under-achievement in garage rental income against the budget for 2013/14 that would otherwise have been reported as part of this Budget Setting Report. It is currently assumed that this trend will continue in to 2014/15, although this will need to be closely monitored to ensure that occupancy levels do not drop, and potentially improve as a direct result of both investment in 2013/14 and marketing.

The fixed term Garage Project Officer will work closely with Estates and Facilities to ensure the recommendations in respect of garage investment are completed in 2013/14 and 2014/15. The officer will also work pro-actively to ensure that tenants are paying for, and using their garages appropriately.

Commercial Property

Rental income from commercial property continues to fluctuate due to the timing of lease renewals for the small portfolio of shops and other business premises that are owned by the HRA.

In 2013/14 the income generated by the commercial property portfolio is anticipated to be in the region of £398,000, increasing to £408,000 from 2014/15.

Some small businesses are experiencing difficulties in terms of financial viability for their operation, and as such the HRA is currently experiencing bad debt and difficulty in letting commercial property as a direct result.

Interest / Investment Income

The Housing Revenue Account receives interest on general or ear-marked revenue balances, any funds set-aside in the major repairs reserve and the revenue debt repayment reserve.

The General Fund invests all cash balances for the whole authority and the HRA is entitled to claim a share of the actual interest earned at the end of each financial year, based upon the average HRA cash balance throughout the year at the average external rate of interest.

Rates have been at historically low levels for the last 4 years, and recovery is still anticipated to be slow.

Other External Funding

In addition to income direct from service users, the Housing Revenue Account anticipates receiving external funding in the following forms:

- Homes and Communities Agency (HCA) Grant – The authority was awarded grant of £2,587,500 to build 146 new and re-developed homes before March 2015. This funding is being claimed on a scheme by scheme basis, with 50% at start on site and 50% at practical completion, with schemes reaching completion by the end of 2014/15.

- Supporting People Grant – The level of funding via the Supporting People Programme has reduced significantly over the last 10 years. Discussions are taking place in respect of new ways of working with the County Council from 2014/15, but the expectation is that the County Council will be seeking to deliver wider services at no extra, or possibly a reduced, cost.

Earmarked & Specific Funds

Earmarked Funds – Revenue Reserves

In addition to General Reserves, the Housing Revenue Account maintains, or will maintain, a number of earmarked or specific funds which are held against major expenditure of a non-recurring nature or where income is received for a specific purpose. See Appendix C for details. The following funds are currently held:

Repairs & Renewals

These are maintained to fund major repairs of Council-owned administrative premises and periodic replacement of assets such as vehicles, plant, equipment and furniture. Annual contributions are based on estimated replacement costs, spread over the anticipated life of the assets.

Major Repairs Reserve

This reserve currently contains any balance of historic major repairs allowances (MRA) funding for the period up to 31st March 2012. From April 2012, the fund is being contributed to on an annual ongoing basis from the Housing Revenue Account, recognising the need to depreciate the housing stock, or in effect set-aside sufficient resource to maintain the asset in a lettable state.

Any resource available in the Major Repairs Reserve can be utilised as a source of funding in the Housing Capital Investment Plan, with the expectation that the increase each year by an element representing depreciation for the housing stock, will be reduced by an element that represents the need to fund the relevant expenditure in ensuring the housing stock remains decent.

Shared Ownership

A reserve of £300,000 is maintained to enable the HRA, in any one year, to re-purchase shares of properties where the occupier wishes to move on, thus ensuring that the limited stock is made available for those on the shared ownership register.

In many cases, the funding for shared ownership is re-circulated, with the HRA buying back and selling on a dwelling in the same financial year. The reserve ensures that buying back a dwelling is still possible, even if the re-sale may be in a future financial year.

Tenants Survey

The Tenants Survey reserve allows the Housing Revenue Account to spread the costs of the STAR Tenants and Leaseholder Survey evenly across financial years, despite the survey only being undertaken formally every two years. This does not detract from the possibility that an element of annual activity may take place to gauge changes in opinion by small survey sampling, i.e. focus groups.

HRA Aerial Monies

Mobile telephone aerials have been installed on the roofs of a number of the flat blocks within the HRA. The authority leases the roof space to the telecoms provider for an annual lease premium / rental fee. This income is appropriated into an ear-marked reserve, to be offset by expenditure specific to the area in which the mast is installed.

Pension Reserve

As part of the February 2011 Budget Setting Report, approval was given for inclusion of a provision equivalent to an annual increase in employers pension contributions of 0.75% in each of the six years from 2011/12 to 2016/17. This was in recognition of the adverse impact that the economic downturn would undoubtedly have on investment income to the Fund and in anticipation of future increases in employer contributions being required, following the triennial review of the Pension Fund and outcomes of the fundamental structural review of public service pension provision by the Public Services Pensions Commission.

It is anticipated that the fund accumulated at the end of 2013/14 will be paid to the Pension Fund, so that this will form part of the triennial revaluation of the Pension Fund. Revised employer contribution rates from 2014/15 have yet to be determined by the Fund's actuaries,

but it is not anticipated at this stage that there will be a requirement for a higher level of contribution by the City in 2014/15, based on the action taken in 2011.

HRA Set-Aside for Potential Debt Repayment or Future Re-Investment

The implementation of self-financing saw the HRA take on an opening debt of £213,572,000. The 30-year Business Plan, approved in February 2012, adopted a treasury management strategy that resulted in a portfolio of 20 maturity loans with varying maturity dates. The financial model allowed for the set-aside of surplus revenue resource over the life of the plan to ensure that the loans can be redeemed at the maturity date of the shortest loan, should the authority choose to redeem debt.

To ensure that this is possible, resource is being appropriated at the end of each financial year into this ear-marked reserve in preparation for debt redemption at the appropriate time, should the authority choose to redeem as opposed to re-finance. Alternatively this reserve may be used to fund investment in expansion of the housing portfolio, with a conscious decision to re-finance debt at loan maturity.

This approach of using an ear-marked reserve, as opposed to making a formal voluntary revenue provision (VRP), allows the HRA to retain full flexibility over the use of the set aside balance in the future. This is considered further in Section 7.

Fixed Term and TUPE Posts Costs

Where the HRA appoints staff on fixed-term contracts an obligation to pay redundancy costs can result at the end of that period. In addition, if services which the HRA is currently contracted to provide externally are terminated, there is the potential for some of the staff involved in the delivery of services to remain with the Council, after TUPE transfer occurs, depending upon the proportion of staff time spent undertaking specific activities. This can also lead to unexpected redundancy costs.

To cover this eventuality the HRA will establish an earmarked reserve to hold contributions based on the potential liability of such posts, where required.

Earmarked Funds – Capital Receipts

Right to Buy Attributable Debt Ear-Marked Capital Receipt

The HRA is eligible to retain an element from all right to buy receipts over and above those assumed in the initial self-financing settlement, in recognition of the debt which the authority was required to take on as at 28th March 2012. The sums retained will be identified in a separate ear-marked capital balance, allowing them to be utilised to repay debt should the authority so choose, or reinvest as deemed appropriate.

Right to Buy Retained one-for-one Ear-Marked Capital Receipt

Within the terms of the Right to Buy Receipt Retention Agreement, the authority may retain receipts from additional right to buy sales for a period of up to 3 years, for the express purpose of re-investment in new affordable housing. If not utilised within the time frame, the Council must pay the funds, with interest, to central government. To ensure that these resources are separately identified for re-investment, and if necessary, repayment purposes, an ear-marked balance will be identified to hold the balance at any one time.

Section 5

Housing Revenue Account Budget

Post-HRA Business Plan Update Approvals

There were no revenue decisions impacting the Housing Revenue Account taken between the publication of the HRA Mid-Year Financial Review (approved as part of the October committee cycle) and publication of this document. Such decisions, including any made under urgency arrangements, together with financial implications would be noted here.

There are capital implications to take into account in reviewing the final budget proposals in relation to scheme specific approval being given for HRA new build and re-development schemes at Community Services up to and including January 2014. The schemes anticipated to be presented within this timeframe, where the financial implications will need to be included are:

- Clay Farm
- Anstey Way (no net financial implications anticipated)

It should be noted that scheme specific approvals are awarded at the scheme viability stage, and that there may be the need to revisit the original approvals for all schemes once final scheme proposals, design and planning considerations have progressed.

Revised Budget 2013/14

The Housing Revenue Account (HRA) revenue budgets for the current year (2013/14) were initially reviewed as part of the HRA Mid-Year Financial Review in October 2013. A further review is undertaken as part of the January 2014 committee cycle and will be reported to

Council in February 2014. The current overall effects of the revised budget proposals, compared to the original and current, are shown in the table below.

2013/14 Revised Budget	Original Budget January 2013	HRA Mid-Year Review October 2013 £	January 2014 £
Net HRA Use of / (Contribution to) Reserves	(725,500)	1,804,140	1,875,940
Variation on previously reported projection			71,800

The above figures include carry forward approvals from 2012/13 in the second and third columns, with savings and unavoidable bids identified in the current year, as part of the January 2014 committee cycle, incorporated in the right-hand column.

Revised Budget items are considered by Housing Management Board for revenue items and Community Services for capital items, and are detailed in Appendix D. These can be summarised as follows:

Revised Budget Items	2013/14 £
Savings	(223,200)
Bids	295,000
Net Effect on Current Year Budget	71,800

The items submitted, as part of the revised budget, will be analysed as in previous years, to ensure that any ongoing implications are identified and that appropriate lessons can be learned for future budget management and monitoring.

The increase in cost for 2013/14 will be met from Housing Revenue Account reserves, where there is sufficient resource, partially due to the use of reserves in 2012/13 being less than anticipated.

Non-Cash Limit Budgets

Non-Cash Limit items are those that do not relate directly to the cost of service provision, including for example dwelling rent income, direct revenue funding of capital expenditure (DRF) and investment income. These are summarised in the table below together with full details given in Appendix E.

Proposal Type	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Non-Cash Limit items	(674,990)	(860,390)	(860,390)	(860,390)

Budget Proposals Summary

The budget proposals contained within this HRA BSR document are detailed in Appendix F, and can be summarised as follows:

Proposal Type	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Unavoidable Revenue Bid	370,230	364,890	364,890	364,890
Service Reviews	(32,400)	(35,400)	(35,400)	(35,400)
Saving	(484,000)	(522,120)	(522,120)	(522,120)
Net Effect of HRA proposals	(146,170)	(192,630)	(192,630)	(192,630)

Service Reviews

The Service Review process has been developed corporately over recent years and identifies particular service areas for detailed evaluation. The HRA incorporates any Service Review savings either identified by HRA services directly, or as a by-product of reviews of corporate services, support services or rechargeable services.

It is difficult, however, to fully predict the impact in monetary terms of savings to the HRA from in-direct service reviews, as the detail surrounding revised recharging mechanisms is not usually completed until the after the review is complete and resulting changes have been made.

Performance against Savings Target

As in previous years, a savings target for the HRA as a whole has been adopted, rather than allocating individual savings requirements to specific service areas or cost centres.

The following table compares the level of net savings, which are being proposed with the overall net savings target for the whole Housing Revenue Account. A more detailed comparison is included at Appendix F.

Portfolio	2014/15 £	2015/16 £	2016/17 £	2017/18 £
HRA General Savings Requirement	113,000	113,000	113,000	113,000
HRA Repairs Reduction in line with stock loss	27,030	27,030	27,030	27,030
Net Savings Requirement (HRA Mid-Year Financial Review October 2013)	140,030	140,030	140,030	140,030
Unavoidable Revenue Bid	370,230	364,890	364,890	364,890
Service Reviews	(32,400)	(35,400)	(35,400)	(35,400)
Saving	(484,000)	(522,120)	(522,120)	(522,120)
Over / (Under) performance against HRA Cash Limit	(6,140)	(52,600)	(52,600)	(52,600)

This shows that the Cash Limit has been over-achieved from 2014/15 at the level of £6,140, increasing from 2015/16 to an ongoing over-achievement against the net savings requirement of £52,600.

Overall Budget Position and Priority Policy Fund (PPF)

Overall Budget Position

The overall impact on the HRA, of the factors considered above in the context of the Cash Limit established in the October 2013 HRA Mid-Year Financial Review, is set out below:

Proposal Type	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Net Savings Requirement (HRA Mid-Year Financial Review October 2013)		140,030	140,030	140,030	140,030
2013/14 Revised Budget	71,800				
Unavoidable Revenue Bid		370,230	364,890	364,890	364,890
Service Reviews		(32,400)	(35,400)	(35,400)	(35,400)
Saving		(484,000)	(522,120)	(522,120)	(522,120)
Net Position (Under) / Over Cash Limit	71,800	(6,140)	(52,600)	(52,600)	(52,600)
Non-Cash Limit items	0	(674,990)	(860,390)	(860,390)	(860,390)
Overall Net Position Including Non- Cash Limit Items (Under) / Over	71,800	(681,130)	(912,990)	(912,990)	(912,990)

At this stage, savings have been marginally over-achieved at cash limit level for 2014/15 by £6,140, increasing to £52,600 per annum from 2015/16 onwards. This over-achievement could be used to help offset any over subscription against PPF funding in year, or could alternatively reduce the saving requirement from 2015/16 onwards.

Review of Priority Policy Fund (PPF) Funding

The Housing Revenue Account PPF allows facilitation of strategic re-allocation of limited resource into new and expanding service areas, recognising the priorities identified through the Council's Vision for the City and the STAR Tenants and Leaseholder Survey.

The HRA Mid-Year Financial Review of October 2013 assumed a continued level of funding for HRA PPF Bids of £150,000 per annum for the period from 2014/15 to 2017/18. The HRA BSR

reviews this assumption, considering the affordability of this assumption in light of the outcome of the review of other factors impacting the overall budget position.

The current list of PPF Bids is shown in Appendix G. In reviewing PPF Bids for approval, consideration is given to the relative value of PPF Bids compared to the additional Savings that their inclusion would require.

HRA Priority Policy Fund 2014/15	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Funding available	(150,000)	(150,000)	(150,000)	(150,000)
Bids into Fund	135,600	197,600	197,600	197,600
Shortfall / (Unused) Funding	(14,400)	47,600	47,600	47,600

The level of PPF funding has been increased from £75,000 to £150,000 per annum in recent years, in recognition of the challenges anticipated as part of the introduction of the Welfare Benefit Reforms and the opportunities that self-financing provides for additional investment in new build affordable housing. The higher level of PPF bids from 2015/16 directly reflects our anticipated need to respond proactively to these changes.

From 2015/16, there is a shortfall in PPF funding against the bids proposed. This could be addressed by:

- Reducing the level of direct revenue funding of capital
- Reduce the ability to set-aside resource to repay housing debt
- Offset the over-achievement in net savings to meet the over subscription in PPF funding
- Reduce the level of PPF funding available in future years

Any unused PPF funding in any year can be utilised to either:

- Increase the level of direct revenue funding of capital
- Increase the ability to set-aside resource to repay housing debt
- Offset the under-achievement in net savings to avoid an increased savings requirement in future years

Given the demand for PPF at a higher level than allowed for, it is proposed to offset this against the over-achievement against the HRA Net Savings Requirement for 2014/15 and beyond. This would still leave a net over-achievement against the anticipated net direct spend of £20,540 for 2014/15, reducing to £5,000 per annum from 2015/16 onwards, allowing approval of the proposed budget as presented.

The effects of this would be as follows:

Proposal Type	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Reduction required to meet Cash Limit	0	140,030	140,030	140,030	140,030
Service Reviews	0	(32,400)	(35,400)	(35,400)	(35,400)
Savings	(223,200)	(484,000)	(522,120)	(522,120)	(522,120)
Unavoidable Revenue Bids	295,000	370,230	364,890	364,890	364,890
Net Savings Position above / (below) Savings Requirement	71,800	(6,140)	(52,600)	(52,600)	(52,600)
PPF Funding	0	(150,000)	(150,000)	(150,000)	(150,000)
PPF Bids	0	135,600	197,600	197,600	197,600
Net PPF Position – Above / (Below) Available Funding	0	(14,400)	47,600	47,600	47,600
Net Position above / (below) Overall Cash Limit for the HRA	71,800	(20,540)	(5,000)	(5,000)	(5,000)
Non-Cash Limit Adjustments	0	(674,990)	(860,390)	(860,390)	(860,390)
Net Position for the HRA above / (below) overall assumptions	71,800	(695,530)	(865,390)	(865,390)	(865,390)

Section 6

Capital and Asset Management

Asset Management

An Asset Management Strategy, detailing the anticipated investment need across the Housing Revenue Account asset base was approved in February 2012, recognising the need to understand, in detail, future investment needs across the entire housing stock.

The ability to balance investment in maintaining existing assets to protect the current revenue streams, whilst also creating new affordable housing assets to both meet housing need and generate future revenue streams, is key to maintaining a financially viable HRA.

The exercise to review the priorities for investment has begun during 2013/14, but a balance must be struck between the desire to improve existing housing stock, deliver new affordable housing and invest in the services that are provided to tenants on an ongoing basis, balanced against the limited available resource.

Stock Condition

Stock condition data is continually updated in respect of the housing stock, improving the information held to inform the decision making process.

Work is in progress in respect of identifying the investment need in the communal areas of both sheltered and flatted accommodation, with findings anticipated to be incorporated as part of the update of the HRA Asset Management Plan in February 2015.

Until the outcome of this work, the uplift of £75.00 per property per annum, as recommended by Savills, has been retained in the Housing Capital Investment Plan to ensure provision of sufficient resources to maintain communal areas (lifts, door entry systems, balconies, landings,

balustrades, communal floor coverings and communal rooms) to a safe, decent and desirable standard in the interim. Once the work has been completed, this funding will need to be profiled appropriately between years, with any surplus being returned for investment in other areas and any shortfall being made good by reducing spend elsewhere.

Decent Homes

The housing service reported achievement of decency in the housing stock as at 1 April 2013 at 96.5%, compared with 96% achieving the desired standard at 1 April 2012. There were 253 properties that were considered to be non-decent (in addition to the 845 refusals), with another 53 anticipated to become non-decent during 2013/14.

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

To be decent, a home must meet the current statutory minimum standard for housing, must be in a reasonable state of repair, must have reasonably modern facilities and services must provide a reasonable degree of thermal comfort.

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

As part of the HRA 30-Year Business Plan and Asset Management Plan, approved in February 2012, the authority reduced the assumed lives of a number of decent homes elements, with the intention of moving from a basic decent homes standard to a full investment standard.

This decision has been revisited in light of the need to balance investment between existing dwellings, housing services and the supply of additional affordable housing, with a recommendation to increase the assumed life of the boiler element to 10 years, where the change is not expected to have a detrimental impact on the authority's ability to maintain decency. Other elements of the programme will be reviewed in the coming year, with replacement programmes for kitchens, bathrooms and windows to be reconsidered.

The table below shows the original, current and proposed local asset lives for each decent homes element.

Element	Option	Original Life Assumed	Current Life Assumed	Proposed Life Assumed
Balcony		80	80	80
Balustrade/railing	Metal, timber, concrete, glass, melamine	80	80	80
Bathroom		40	30	30
Boiler		15	8	10
Canopy	Timber, concrete, GRP, metal	40	40	40
Chimney	Pointing & Render	50	50	50
Communal door	GRP, timber, PVCu, composite, steel, mixed	40	40	40
Communal lift		20	20	20
Door entry		15	15	15
Drainage		25	25	25
Electrics		30	30	30
Enclosure doors	GRP, timber, PVCu, composite, steel, mixed	40	40	40
Front/Back door	GRP, timber, PVCu, composite, steel	40	40	40
Garage		80	80	80
Garage door	Timber, composite, steel other	30	30	30
Garage rainwater goods		15	15	15
Garage roof	Metal, asbestos, concrete, felt, other	30	30	30
Glazed areas	PVCu, timber, metal, aluminium, SDG	40	40	40
Heating	Gas warm air, electric warm air, electric storage heaters	30	30	30
Heating	Other, solid fuel, electric ceiling heater	30	30	30
Heating	Gas boilers & radiators	40	40	40
Kitchen	Small, medium or large	30	20	20
Roof covering	Flat	30	30	30
Roof covering	Pitched	50	50	50
Roof structure		50	50	50
Shed door	GRP, Timber, PVCu, composite, steel, mixed, other	30	30	30
Shed roof	Metal, asbestos, corrugated sheets, felt, other	30	30	30
Shed windows	Timber, PVCu, metal, other	30	30	30

Element	Option	Original Life Assumed	Current Life Assumed	Proposed Life Assumed
Smoke detector		15	15	15
Wall Finish	Brick, render, cladded, tile hung, metal sheet	60	60	60
Wall structure	Brick, block, timber, concrete, combination, other	80	80	80
Water heating	On/off peak immersion, gas/electric instantaneous, communal	15	15	15
Window	PVCu	40	25	25
Window	Timber, metal, aluminium, part PVCu	40	40	40

Stock Investment

The Asset Management Plan, approved in February 2012, addressed the investment need in Housing Revenue Account assets over a 30-year period. An update of the medium-term investment position, for the period from 2013/14 to 2017/18 is included at Appendix M.

The Asset Management Plan will be subject to a 3-year review in February 2015.

New Build Affordable Housing

New Build & Re-Development

The Council is currently investing in 146 new and re-developed homes in the city, utilising £2,587,500 of Homes and Communities Agency grant, being delivered as part of the 3-year affordable housing programme.

Jane's Court is the first of the programme to reach completion, resulting in a scheme of 14 market sale units and 20 affordable homes. The affordable housing consists of two 1-bed flats and eighteen 2-bed flats, which will be let to residents over the age of 50.

The remaining 12 schemes that have provisional committee approval are expected to be delivered between now and March 2015, to ensure the Council complies with the conditions of the Homes and Communities Agency grant. At the time of writing this report, approximately

90% of residents affected by the re-development programme have been re-housed and 12 of the 19 leasehold re-purchases required have taken place.

As each scheme receives specific committee approval, the indicative cost of the scheme is incorporated into the Housing Capital Investment Plan. As the scheme design progresses and planning approval is sought, revised and more accurate scheme costs are available. As part of the HRA Mid-Year Financial Review, the latest scheme appraisal costs were incorporated into the financial models, and therefore the Housing Capital Investment Plan. These costs will still not be the finally agreed contractual sums that the authority enters into, which will be incorporated at the earliest opportunity once known.

Scheme	HRA MFR Approved Social Housing Units	Affordable Housing Scheme Cost (Cash Spend)	Affordable Housing Scheme Cost (Notional Spend = Estimated Notional Land Value)	HCA Grant and Area Committee (**) Funding	Estimated Notional Land Value	HRA MFR Net Funding Approved (Capital Cost net of Grant and Land Transfer)
Seymour Court / Jane's Court	20	1,232,900	1,500,000	(354,460)	(1,500,000)	878,440
Latimer Close	12	1,462,860	825,750	(212,680)	(825,750)	1,250,180
Barnwell Road	12	1,307,430	627,800	(212,680)	(627,800)	1,094,750
Campkin Road	20	2,806,100	1,229,920	(354,460)	(1,229,920)	2,451,640
Colville Road	19	1,641,650	1,071,710	(336,740)	(1,071,710)	1,304,920
Water Lane	14	1,632,290	899,820	(248,120)	(899,820)	1,384,170
Aylesborough Close	21	2,915,860	814,650	(372,180)	(814,650)	2,543,670
Stanesfield Road (**)	4	724,910	54,980	(170,890)	(54,980)	554,020
Wadloes Road	6	752,870	109,220	(106,340)	(109,220)	646,530
Atkins Close (Garage Site)	8	742,850	246,960	(141,780)	(246,960)	601,070
Hawkins (Garage Site)(*)	5	549,030	140,060	(35,390)	(140,060)	513,640
Fulbourn (Garage Site)(*)	4	323,560	298,290	(70,890)	(298,290)	252,670

Scheme	HRA MFR Approved Social Housing Units	Affordable Housing Scheme Cost (Cash Spend)	Affordable Housing Scheme Cost (Notional Spend = Estimated Notional Land Value)	HCA Grant and Area Committee (**) Funding	Estimated Notional Land Value	HRA MFR Net Funding Approved (Capital Cost net of Grant and Land Transfer)
Ekin Road (Garage Site)(*)	4	474,030	148,080	(70,890)	(148,080)	403,140
Total	149	16,566,340	7,967,240	(2,687,500)	(7,967,240)	13,878,840

(*) Some of the above schemes are still at viability stage, and therefore have not yet received formal planning approval. As such, it is not guaranteed that schemes will proceed if they prove to be either financially or technically unviable. The net funding approval identified above assumes delivery of a 60/40 split of affordable versus market housing across the programme. Following decisions made as part of the scheme proposals presented to committee in October 2013, consideration will be given to the option of delivering 100% affordable housing on these sites, with delegations for final approval of the option which delivers the best results in place. The Housing Capital Investment Plan, an updated version of which is attached at Appendix M, incorporates the funding for new build schemes as identified in the table above, recognising the need for gross spend on the affordable housing scheme, land values and grant receipts to be shown separately, but arriving at the net cash cost to the Council as per the table above.

The assumption has been made in the Housing Capital Investment Plan, as part of this Budget Setting Report, that the appropriate level of investment will be included in 2014/15 to allow the authority to purchase the 13 proposed market units on the 4 garage sites included in the current Affordable Housing Development Programme, for use as social housing. This would not only deliver 13 additional affordable housing dwellings, but would also enable appropriate utilisation of the earliest retained right to buy receipts, thus avoiding payment of these to central government. If this option is not possible or deemed financially unviable once fully investigated, the identified investment will be instead be transferred to another development that qualifies for use of the right to buy receipt, or will be used to purchase dwellings on the open market within the same timeframe (during 2014/15). A report will be presented in early 2014 in this regard.

Work is underway with Hill Partnerships, preparing for the development of the Clay Farm site, which will include 104 new Affordable Housing dwellings which the City Council will own and manage. Funding for the scheme has previously been ear-marked in the HRA Business Plan, but a detailed scheme specific proposal will be presented for consideration at Community Services Committee in January 2014, before approval is sought from Council in February 2014. The report provides a number of options for investment, asking for delegated authority to be given to agree the final mix and funding package. The assumption made as part of this Budget Setting Report, is that the authority will deliver 104 homes, comprising 78 affordable rented dwellings and 26 shared ownership dwellings.

The scheme is anticipated to be partially funded using retained right to buy receipts, with the prudent assumption made in the Housing Capital Investment Plan, that only receipts retained to date are initially committed to the scheme. It is assumed that the balance of the costs will be met from existing HRA resource and borrowing, ensuring that the scheme is financially viable and can continue even if future right to buy sales decline significantly. However, if right to buy receipts continue to be realised, the level of retained receipt used to fund the Clay Farm scheme will be increased up to the maximum of 30% of the costs of delivering the affordable rented housing on the site, as shared ownership housing is not a valid use of this resource.

Delivery of the affordable housing accommodation on the Clay Farm site is expected in phases beginning in summer of 2015, with completion by summer of 2016.

Funding has also been earmarked in 2016/17 for investment that is anticipated to ensure that the authority can appropriately spend the balance of anticipated retained right to buy receipts. With the current assumptions in respect on right to buy sales, the authority would expect to not only be able to maximise the level of right to buy receipts invested in Clay Farm (30% of the affordable rented element), but also to be in a position to need to spend a further £2.4 million in the delivery of new affordable housing by 2017/18, thus avoiding the need to pay any retained receipts to government before the end of the current budget period (31st March 2018).

City Deal

The City Deal aims to secure hundreds of millions of pounds of additional funding for investment in transport infrastructure and homes to support high quality economic and housing growth over the coming decades.

This extra funding is expected to come from the local area keeping a share of the additional tax income that will be generated as a result of future growth (an idea known as "Gain Share").

As part of the City Deal, it is proposed that this will be combined with a revised package of funding to support the delivery of affordable housing, along with new measures to allow skills funding to be used in different ways which will target training more at the particular needs of local employers.

As the detailed work on City Deal is progressed the implications for the HRA Business Plan will be reviewed for inclusion in the September 2014 Housing Revenue Account Mid-Year Financial Review.

Asset Disposals & Acquisitions

Consideration continues to be given to the acquisition or disposal of specific land or property, where there is demonstrable evidence that better value for money can be delivered in respect of the provision of affordable housing. The capital receipt generated by a strategic disposal can be retained in full by the authority, subject to offsetting it against the authority housing capital allowance and utilising it to invest in affordable housing.

Receipts from asset disposals are only recognised in the HRA's reserves at the point of receipt and after all relevant costs have been provided for.

The table below provides an update of the properties currently being considered for market acquisition or disposal (outside of the currently approved 3-Year Affordable Housing Programme).

Potential Acquisition / Disposal / Change of Use	Comment	Status
24 Elizabeth Way	Consideration being given to potential alternative use or market disposal of this vacant dwelling	Under Investigation
18A Magrath Avenue	Dwelling requires significant investment. Potential for market disposal of dwelling or sale to neighbouring leaseholder who would seek to acquire the freehold for the block	Under Investigation

All ex-Council dwellings that are subject to the right of first refusal legislation, are considered for re-purchase against the criteria agreed when the legislation was introduced, including criterion such as whether a property meets an identified need for specific accommodation or could form part of a site assembly for a future re-development.

The agreement with Communities and Local Government (CLG) to retain additional right to buy receipts for re-investment in the provision of new affordable housing also encourages the strategic acquisition of existing dwellings in the city, as an alternative to building new dwellings, but with the erection of new dwellings being a clear preference.

Shared Ownership Acquisitions and Disposals

Following a recent review of the current shared ownership scheme, a report is being taken to HMB and Community Services Scrutiny Committee in January 2014, with a recommendation that the Council continues to provide shared ownership within the City; recognising the value shared ownership brings to ensuring that a range of housing options are available to residents, particularly supporting the growing number of people who are unable to access social housing but cannot afford to purchase on the open market.

The report has recognised that a range of marketing methods needs to be employed to ensure that as-wide-a market as possible is reached, and that the properties go to those most in need.

Providing a percentage of shared ownership properties on the Council's new development sites would help to subsidise the development of properties for rent. Government grant will be sought to support the cost of developing new shared ownership homes.

The report being presented to Community Services in January 2014 in respect of the development of the affordable housing on the Clay Farm site, incorporates assumptions that the authority will deliver a proportion of the accommodation as shared ownership housing, subject to viability.

In respect of the existing shared ownership stock, the report proposes a business case is prepared each time a dwelling is offered back to the Council, to determine the best future use for the dwelling, which may be:

- Buy back and sell a share to another applicant
- Buy back to use as general rented stock
- Buy back and sell the whole property on the open market
- Advise the seller to sell their share sold on the open market

Decisions in this regard will be made following assessment of the dwelling against a number of criteria, including costs, identified need, size, type and condition of the property, housing market conditions, planning restrictions and any other factors considered relevant.

Capital Bids

Detailed in Appendix H are the capital bids for the period from 2013/14 to 2017/18, with the impact of these incorporated into the Housing Capital Investment Plan presented at Appendix M. The bids include:

- One-off funding of a maximum of £76,000 in 2014/15, for the installation of the Cambridge Public Sector Network across housing offices.
- One-off funding in 2014/15 of £9,000 to allow the purchase and implementation of an additional module to the Housing management System to aid the ability of staff to respond to multiple queries from a single customer.
- One-off funding of £48,000 in 2013/14 to undertake emergency works to the water mains at Kingsway.
- A negative bid (saving) of £150,400 in 2013/14 and £166,200 from 2014/15, resulting from a reduction in the level of internal fees that are charged to capital budgets based upon the latest assumptions of officer time spent undertaking activity associated with capital investment in the housing stock. This directly offsets growth in the revenue budget, where that staff are alternatively deployed in managing the revenue aspects of the cyclical and planned maintenance programmes.
- A bid for £150,000 in 2014/15 to undertake remedial works to an HRA dwelling and the surrounding block, where there are major structural and layout issues.

Also incorporated into the Housing Capital Investment Plan at Appendix M is the financial impact of the following changes:

- Amending the asset life for boilers in line with the proposals on pages 50 and 51 of this document, from the previous 8, to a 10 year life cycle.
- Re-phasing of £15,000 of resource for communal floor coverings, from 2014/15 into 2013/14, to allow for completion of works to a whole block whilst the necessary equipment is erected on site.

- Re-phasing of £500,000 from 2014/15 to 2021/22 and £850,000 from 2015/16 to 2022/23 in respect of window replacements, recognising that it is too early to move to a full investment standard for this element, based upon limited experience of early failures.
- Re-phasing of £250,000 from 2014/15 into 2015/16 in respect of the communal areas uplift, as the full programme of required works is not yet complete, and therefore the authority would not expect to spend the enhanced allocation previously included for this year.
- Funding for the development of 104 units of affordable housing on the Clay Farm site, in line with the assumptions being made in the report being presented to Community Services Scrutiny Committee in January 2014. Funding has been incorporated, assuming delivery of 75% affordable rented housing and 25% shared ownership housing. Any decision made under delegated powers to deliver a differing proportion of shared ownership housing, will result in both a different level of upfront investment, and also ongoing revenue returns. The impact of such a decision would be incorporated into the HRA Business Plan at the next available opportunity.
- Funding for the purchase of the 13 market housing units currently anticipated to be delivered on the 4 garage sites in the affordable housing development programme, to both deliver 100% affordable housing, but also utilise the earliest retained right to buy receipts, thus negating the need to pay any sum over to CLG with the associated interest that would fall due. If the purchase of the market units is not viable upon detailed investigation, the resource will either be transferred to another scheme or will be used to purchase properties on the open market, to increase the supply of affordable housing.
- Earmarking of the required level of additional funding for new build investment in 2016/17 and 2017/18 to ensure that the anticipated level of future retained right to buy receipts can be appropriately utilised. This funding has not yet been allocated to specific schemes, but consideration will be given to where investment could be best made to deliver new homes in this time frame, with the fall back position that existing properties can be purchased on the open market if required.

Section 7

Treasury Management Strategy

Background

It is a statutory requirement for a Housing Revenue Account Council to set a balanced budget, including the revenue implications that arise from capital financing decisions.

When approving any capital expenditure in the Housing Revenue Account, consideration must be given not only to the ability to fund the direct capital expenditure, but also to the revenue implications of both the financing decision and the ongoing cost of managing and maintaining the asset.

The Housing Capital Investment Plan provides an indication of the borrowing need of the HRA in any one year, ensuring that this can be incorporated in the Council's overall borrowing assumptions and Treasury Management Strategy.

Current HRA Borrowing

The Council has a two-pool approach to managing Council debt, ensuring that any borrowing taken out for HRA purposes impacts the HRA directly, and does not adversely impact the General Fund.

As at 1 April 2013, the Housing Revenue Account was supporting two forms of borrowing, internal and external.

External Borrowing

Based on the final self-financing determination, the HRA supports borrowing of £213,572,000 from the Public Works Loans Board (PWLB), in a portfolio of 20 maturity loans of equal value, at preferential rates ranging between 3.46% and 3.53% depending upon the term of the loan.

The loans have varying maturity dates, with the first £10,678,600 due to be repaid on 28th March 2038, and the last on 28th March 2057.

Internal Borrowing

In addition to the external loans attributable to the HRA, there remain two sums of internal borrowing from the General Fund, which the HRA is required to support:

- £893,250 internal borrowing derived from historic borrowing approvals prior to 2003
- £283,000 internal borrowing to deliver the first 7 units of new build affordable housing between 2010/11 and 2011/12

The Housing Revenue Account is required to pay the General Fund the annual interest associated with the above internal borrowing as part of the Item 8 Debit to the HRA. The interest rate payable by the HRA can be determined by the authority, but must be deemed reasonable and stand up to external scrutiny from auditors.

Future Borrowing

The Housing Revenue Account is still subject to an overall debt cap, notified to the authority as part of the HRA Self-Financing Settlement, at a level of £230,839,000. With existing HRA debt of £214,748,250, the authority currently retains borrowing headroom of £16,090,750, which is committed as part of the Housing Capital Investment Plan, contributing to the finance available for the delivery of the current affordable housing development programme, Clay Farm and housing required using the earliest one-for-one right to buy receipts.

The 30-Year HRA Business Plan now includes the assumption that the HRA will undertake borrowing during 2014/15 and 2015/16, to reach the debt cap by the end of 2015/16.

As part of the lead-in to borrowing resource during 2014/15, consideration will be given to both the type and source of borrowing to be taken out, in the context of the financial environment at the time.

Borrowing Options

Borrowing Source	Current View
Internal Borrowing	Although there is still capacity to undertake an element of internal borrowing, the term of the loan is unlikely to be for the duration of the business plan, as the General Fund will need elements of the resource at various stages over the next 30 years. The preference of the HRA is likely to be for longer-term borrowing, with pay back over the first 30 to 35 year life of an asset, as this frees up surpluses in the shorter term which can be re-invested in the delivery of new homes. However, consideration will be given to this borrowing route for any additional borrowing required. It should be noted that the rate which the General Fund can expect to earn on external investments over the longer-term, needs to be balanced with any rate for lending that may be offered to the HRA.
Inter-Authority Borrowing	This option is still worthy of further consideration, although the appetite did not exist locally in respect of the initial debt settlement borrowing.
PWLB Borrowing	The authority has re-registered for entitlement to a certainty rate with PWLB, realising a 20 basis point reduction against the published rates available. This opportunity is now available for borrowing until 31/10/2014, after which the authority will need to re-register, assuming the certainty rate is still available. This route remains low risk compared with other forms of external borrowing, meaning this route is likely to remain the preferred route after consideration of any existing internal resource or inter-authority borrowing available.

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

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

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

Type and Source of Borrowing

The longer-term nature and preference for fixed term loans that exist in respect of future HRA borrowing for the delivery of new assets, means that internal borrowing from the General Fund is unlikely.

Internal borrowing may be an appropriate source for any short term borrowing requirement, where pay back of investment is anticipated in shorter timescales. This may be the case for any spend to save initiatives or small one-off development or acquisition opportunities. This has the advantage of retaining the money paid as interest within the Council overall. If the interest rate charged was the same as available externally so the HRA had no direct benefit, the General Fund would receive investment income that could exceed the levels available from the market.

The continuation of the PWLB Certainty Rate, available now until the end of October 2014, equivalent to a 20 basis point reduction in the standard PWLB rates, provides an incentive for the authority to consider external PWLB borrowing as a viable option.

At the point at which the HRA is required to take out additional borrowing, consideration will be given to the most mutually advantageous borrowing route. PWLB rates are revised and re-issued on a twice-daily basis, and hence it will be necessary to review any borrowing decision in light of the length of loan required and the prevailing rates at the date the funds are required.

Loan Portfolio

Due to the debt cap currently in place, additional HRA borrowing is limited. The sums in question are not expected to be significant enough to justify a vast portfolio of loans, with any perceived benefits to be derived from such a portfolio, potentially outweighed by the administrative burden associated with setting up and managing them.

Consideration will be given to single versus multiple loans, with the loan term chosen taking into consideration the purpose of the borrowing. In respect of additional borrowing to facilitate new build affordable housing, the break-even and payback period of the schemes being financed will be a key factor.

Debt Repayment / Re-Investment

Set-Aside for Repayment of HRA Debt

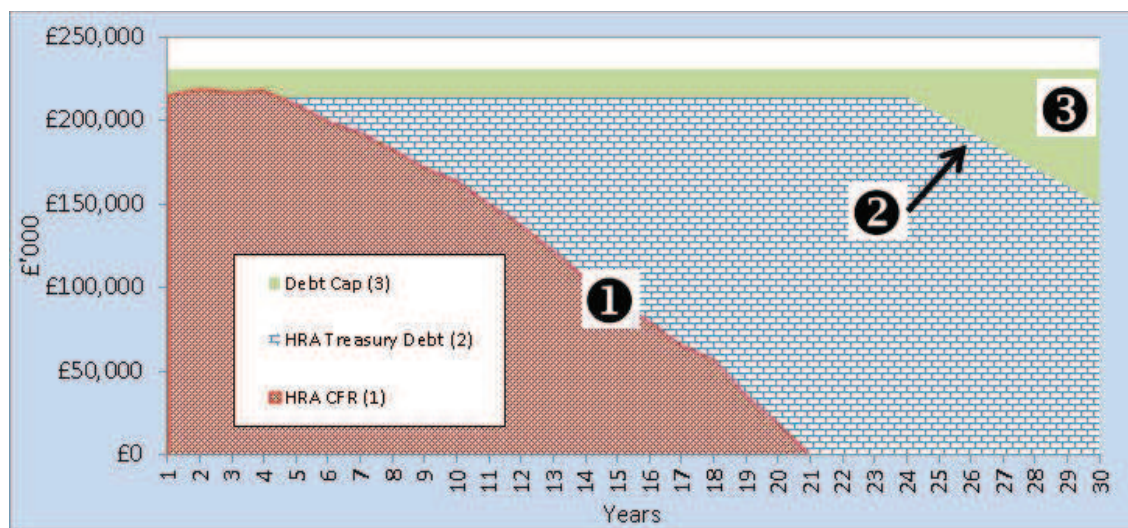
Based on the final self-financing determination, the Council was required to borrow to fund a payment of £213,572,000 to the Government on 28 March 2012. Following significant exploration of the funding options available to the Council the authority took out a portfolio of 20 maturity loans, with varying annual maturity dates, with the first maturing in March 2038, as detailed in the table below:

Loan Ref	Principal	Interest Rate	Annual Interest	Maturity Date	Term
1	10,678,600	3.46%	369,479.56	28/03/2038	26
2	10,678,600	3.47%	370,547.42	28/03/2039	27
3	10,678,600	3.48%	371,615.28	28/03/2040	28
4	10,678,600	3.49%	372,683.14	28/03/2041	29
5	10,678,600	3.50%	373,751.00	28/03/2042	30
6	10,678,600	3.51%	374,818.86	28/03/2043	31
7	10,678,600	3.52%	375,886.72	28/03/2044	32
8	10,678,600	3.52%	375,886.72	28/03/2045	33
9	10,678,600	3.52%	375,886.72	28/03/2046	34
10	10,678,600	3.52%	375,886.72	28/03/2047	35
11	10,678,600	3.53%	376,954.58	28/03/2048	36
12	10,678,600	3.53%	376,954.58	28/03/2049	37
13	10,678,600	3.53%	376,954.58	28/03/2050	38
14	10,678,600	3.53%	375,886.72	28/03/2051	39
15	10,678,600	3.52%	375,886.72	28/03/2052	40
16	10,678,600	3.52%	374,818.86	28/03/2053	41
17	10,678,600	3.51%	374,818.86	28/03/2054	42
18	10,678,600	3.51%	374,818.86	28/03/2055	43
19	10,678,600	3.51%	373,751.00	28/03/2056	44
20	10,678,600	3.50%	376,954.58	28/03/2057	45
TOTAL	213,572,000	TOTAL	7,494,241.48		

The initial Business Plan for the HRA was drafted on the basis that funding would be set-aside over the period of these loans to enable them to be repaid on maturity. Although the Business Plan recognised that there was an alternative approach, whereby these loans could effectively be re-financed on maturity and the funding that would have been set-aside for their repayment used instead to fund additional spending (most likely in the form of additional house-building), it was felt that this should only be considered after the new Self-Financing HRA had been successfully implemented; providing greater financial certainty.

The review of this aspect of the HRA Business Plan has now been undertaken, and the potential of the alternative approach has been explored.

The graph below shows the debt position resulting from the current policy (i.e. fund existing approvals (as identified in Section 6) and set-aside funds to repay loans on maturity).



This shows 3 specific elements:

- (1) Level of Debt for which no provision has yet been built up in order to repay on maturity
- (2) Provision set-aside to repay current debt on maturity (could be used instead to fund new house building)
- (3) 'Space' up to Debt Cap for new borrowing (or need to refinance through new borrowing if (2) is used to fund new house building)

Whilst this confirms that it is possible to use the funding that would otherwise be set-aside to repay the current debt on its maturity, this would result in a significant potential risk in that re-financing of each loan would have to be undertaken upon maturity, irrespective of the prevailing market / PWLB rates for suitable loans at that point.

This was anticipated, in part, by arranging an initial debt portfolio spread evenly across 20 years in order to restrict the sum maturing at each point. However, in order to further mitigate these risks, the authority could:

- ensure that the surplus is invested in income generating assets, which are then maintained appropriately to ensure an ongoing revenue stream sufficient to support the ongoing debt
- consider taking short loans if rates are unusually high, or more prudently;
- set-aside funding to enable its use to repay any loan which matures at a time of high interest rates. Modelling has been undertaken based on retaining the equivalent of 5 tranches of the existing PWLB loan portfolio (approximately £53.4 million)

Given the continued level of need for additional affordable housing, and the priority ascribed to building new homes under the 2012 STAR survey, the review has identified the potential to provide additional homes within the HRA using the set-aside funding.

In considering the potential use of the available set-aside amounts for the provision of additional HRA housing, assumptions need to be made over the cost of providing each new dwelling. Critical factors in this will be whether:

- a) land is available at all, or available at nil cost, ie; provided by developers as part of their affordable housing contribution. The worst case scenario assumes the purchase of existing dwellings for conversion to use as affordable housing.
- b) HCA grant is available.

This will affect the levels of new dwellings that can be provided in addition to existing approvals (but within the overall levels contained within the new Local Plan), ranging from 810 (where existing market dwellings are purchased and there is no HCA grant), to around 2,230 (where land is provided at nil cost and HCA grant is available for all units), over the period from

years 5 to 30 in the Business Plan. This is based on setting-aside 20% of the original PWLB loan sum as cover against high rates at the point of re-financing existing loans.

The scenarios considered include the following assumptions, where appropriate:

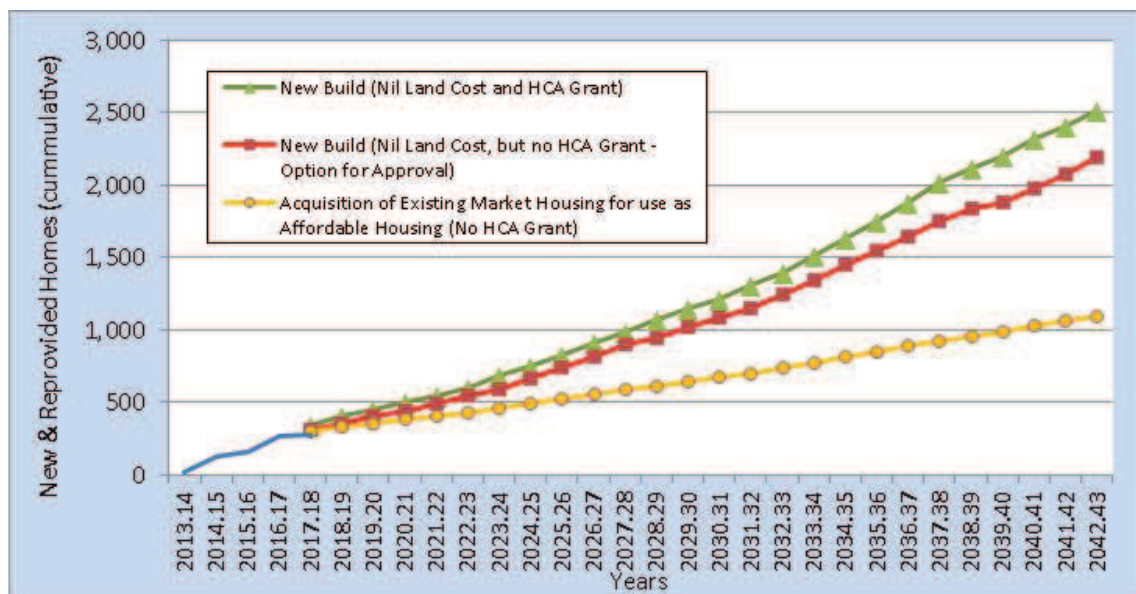
- Build Cost (including fees and infrastructure costs) - £150,000 per unit
- Built to code level 4 or above
- Acquisition Cost - £300,000 per unit, where applicable
- HCA Grant - £15,000 per unit where, applicable
- 100% affordable rented units, with rental income no greater than the LHA rates
- Voids and bad debts as per existing HRA stock
- Management, maintenance and major repairs broadly in line with existing stock assumptions

The graph below depicts 3 potential scenarios for the delivery of additional affordable housing over the life of the plan. The options include a worst case scenario, where it is assumed that existing market housing is purchased and converted to use as affordable housing, delivering around 810 affordable homes and a best case scenario where it is assumed that land is provided at nil cost as part of developer's contributions and that HCA grant is awarded for all of the units delivered.

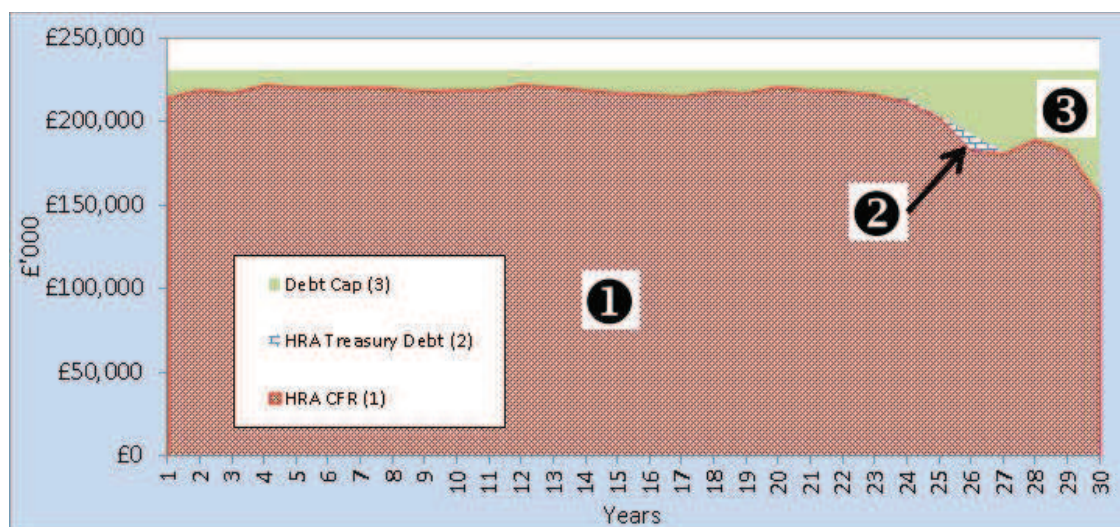
The third scenario depicted, and the option incorporated into the HRA budget, for approval as part of this Budget Setting Report, includes the following assumptions:

- Build Cost (including fees and infrastructure costs) - £150,000 per unit
- Built to code level 4 or above
- Land at nil cost as part of developer's contribution to delivery of affordable housing
- No HCA Grant
- 100% affordable rented units, with rental income no greater than the LHA rates
- Voids and bad debts as per existing HRA stock
- Management, maintenance and major repairs broadly in line with existing stock assumptions;

This delivers around 1,910 new affordable homes during the period between years 5 and 30 of the HRA Business Plan.



The resulting change to the debt chart is shown below:



Given the high levels of current, and anticipated future, demand for affordable housing in the City, it is recommended that 80% of the funding originally earmarked for set-aside to repay existing loans on maturity is instead used to deliver additional homes. This approach, and the amount of homes deliverable, will be reviewed as part of subsequent Business Plans to reflect any changes in circumstances.

To facilitate the planned consideration of this alternative delivery model, any surplus generated since April 2012 has not been formally set-aside, but has simply been held in an ear-marked reserve to allow for either repayment of debt or future re-investment.

Premature Repayment of PWLB Debt

The potential to redeem loans held with the PWLB at an earlier stage than agreed at the outset, still remains. A discount rate is used at the point of redemption to calculate whether the authority should pay a premium, or alternatively receive a discount, for repaying the principal sum early.

If the discount rate applicable at the point of redemption is lower than the original loan rate, a premium is payable and if it is higher, a discount is receivable by the authority.

With the view that the interest rates secured on 28th March 2012 to fund the self-financing settlement were at or near the lowest point they are likely to achieve and that the most appropriate long-term benefit of any surplus generated might be to re-invest in increasing the supply of income generating assets, redemption of debt at this stage is unlikely.

Treasury Management Summary

In summary, in respect of the HRA's approach to treasury management and additional borrowing against the headroom, it is recommended that:

- Resource is set-aside over the life of the existing loan portfolio to redeem 25% of the original PWLB debt, should the authority so choose.
- All other HRA in-year surpluses are re-directed into investment to increase the supply of affordable housing, subject to the availability of sites and the financial viability of schemes proposed
- Fixed rate loans are considered as opposed to the variable alternative
- Consideration is given, particularly for short-term scenarios, to borrowing from the General Fund or other public sector organisations, alongside the PWLB, with the financial impact of each option identified
- If borrowing from the PWLB, the previous approach of taking out maturity loans to provide flexibility and reduce risk is continued

- The term of the loan should be considered based upon the break-even and payback of the scheme and the impact on the HRA's cashflow, with the aim that schemes should payback within a target of 30 years, with 35 years as the maximum
- Multiple loans should be considered if clear financial benefit can be demonstrated

Section 8

Summary and Overview

Equality Impact Assessment, Uncertainties and Risk Assessment

Equality Impact Assessment

Under current legislation, local authorities have legal duties to pay 'due regard' to the need to eliminate discrimination and promote equality with regard to race, disability, gender, including gender reassignment, age, sexual orientation, pregnancy / maternity, and religion or belief as well as to promote good race relations.

The law requires that this duty be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard'.

As a key element of considering the changes proposed in this Budget Setting Report, an Equality Impact Assessment has been undertaken covering all of the HRA Budget 2014/15 proposals. The assessment identifies the impact that financial proposals could have on equality groups, together with mitigation arrangements. It also includes an action plan identifying how disadvantage or negative impact can be addressed, together with timescales and details of lead officers. This is included in this report at Appendix N.

Risk Assessment

To ensure that the authority is able to sustain a financially viable Housing Revenue Account, it is imperative that consideration is given to the level of internal and external risks that the housing service is subject to.

An update of the key risks and associated mitigating actions is presented at Appendix J.

HRA Reserves

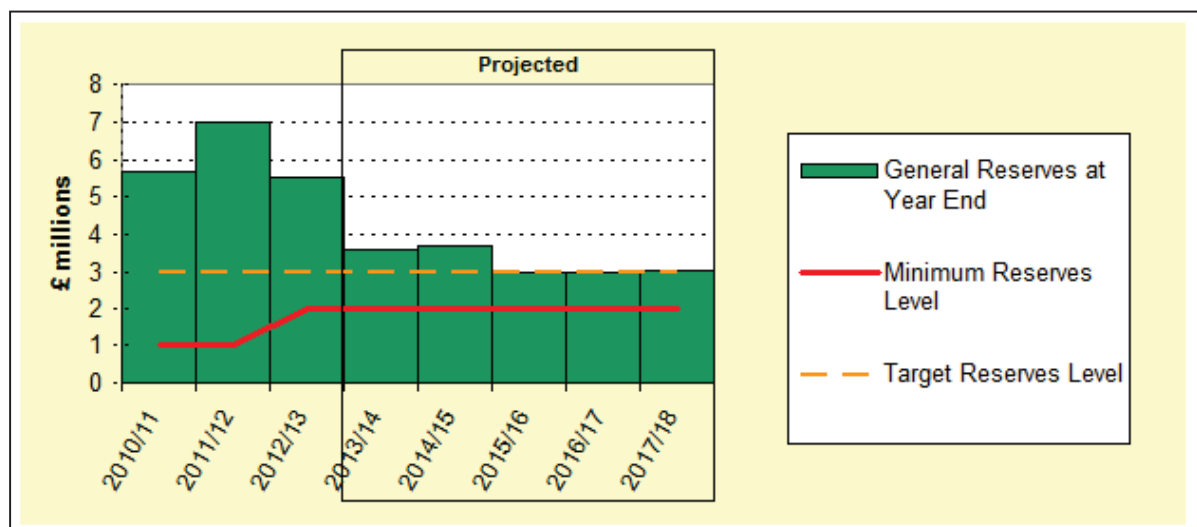
Housing Revenue Account General Reserves

Reserves are held partly to help manage risks inherent in financial forecasting and budget-setting. These risks include changes in legislative and statutory requirements, inflation and interest rates, unanticipated service demands, rent and other income shortfalls and emergencies, such as uninsured damage to the housing stock. In addition, reserves may be used to support the Housing Capital Investment Plan and, in the short-term, to support revenue spending, for example to spread the impact of savings requirements over more than one financial year or to invest up front in a project that is anticipated to pay back over a period of time or deliver future savings.

The HRA Budget Setting Report incorporates the requirements of the Local Government Act 2003, where the Chief Financial Officer is required to report on the adequacy of reserves and provisions and the robustness of budget estimates.

For the Housing Revenue Account the intended target level of reserves remains at £3m, with a minimum level of reserves of £2m.

It is not proposed at this time to make any further changes to the target or minimum levels for reserves, as it is considered prudent to retain the current levels in order to safeguard the Council against the higher levels of risk and uncertainty in the current operating environment.



Base Assumptions and Sensitivities

The current base financial assumptions, reviewed and used as part of this BSR are detailed in Appendix K. In all cases, the revised assumptions included are derived from the best information available at the current time, utilising both historic trend data and the expert advice and opinion of specialists in the field of housing finance, lending and borrowing and asset management.

In making financial assumptions, it is recognised that there will always be an infinite number of alternative values that could have been used. To mitigate the risks associated with this, modelling of key sensitivities is always undertaken to give context to the financial impact that a change in an assumption will make.

Appendix K provides details of the key sensitivities modelled in the preparation of the HRA Budget Setting Report 2014/15.

Options and Conclusions

Overview

The budget for 2014/15 and beyond has been considered in the wider context of the locally identified priorities, which seek to achieve a balance of investment in housing assets and services:

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

Options

The work undertaken as part of the 2014/15 budget process to date has resulted in the development of proposals for the base budget of the Housing Revenue Account.

During January 2014, Housing Management Board and Community Services will have considered the budget proposals, prior to the Executive Councillor for Housing making decisions and further recommendation for the final HRA Budget for 2013/14 to 2017/18 to Council for consideration and approval.

The HRA Budget Setting Report recommends, in summary:

- Approval of the revised budget proposals as presented
- Approval of the unavoidable revenue bid proposals as presented
- Approval of the general savings proposals as presented
- Approval of the service review savings as presented
- Approval of the non-cash limit items as presented
- Approval of the PPF bids as presented
- Approval of the capital bids as presented
- Approval of the revised approach to re-investing a significant proportion of in-year surpluses in income generating assets, as opposed to fully redeeming HRA debt

The meeting of Council on 27th February 2014 will consider the final proposed Capital Budget as identified in this report for approval.

Conclusions

The review of key factors undertaken and presented in this report shaped the approach for finalising the budget for 2014/15. As part of the 2014/15 budget process, significant savings were identified, particularly in the revenue aspects of the repairs service. Savings were partially offset by pressure from unavoidable revenue bids, which were identified across a number of areas of the housing service.

The level of savings required was driven by the need to ensure that housing debt be supported, whilst also releasing resource for strategic re-allocation through the PPF bid process.

This ensures that the Housing Service is in a position to respond to new challenges and to meet changing demands and tenant / leaseholder aspirations.

An increase of £71,800 in revenue costs for 2013/14 has been identified as part of the revised budget process, which will be met from reserves in 2013/14. The level of reserves is sufficient to meet this one-off increased cost, with a marginally lower level of reserves utilised in 2012/13 than anticipated, after allowing for carry forward of expenditure into 2013/14.

The cash limit for 2014/15 (including PPF's) was over-achieved in 2014/15 by £20,540, reducing to an ongoing over-achievement against the cash limit from 2015/16 of £5,000 per annum, resulting in the ability to present a sustainable budget for the period 2014/15 to 2017/18.

In future years, as in previous years, consideration will need to be given to whether the perceived benefits of strategic investment in new areas outweigh any anticipated negative impact of the savings proposed as part of the HRA budget process.

The HRA's approach to long-term financial planning and review, incorporating the assumption that surplus resource will be used to re-invest in income generating assets whilst maintaining prudent financial assumptions, is key in ensuring a viable and expanding housing service that has the ability to respond to the many and varied challenges that face the sector on an on-going basis.

Appendix A

Business Planning Assumptions (Highlighting Changes)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	2.5%	General inflation on expenditure included at 2.5% (Based upon CPI to June 2013), from 2014/15.	Retained
Capital Programme Inflation	3.5% ongoing	Real increase above CPI of 1%.	Retained
Debt Repayment	Re-invest surplus and set-aside 20% to Repay Debt	Assumes surplus is re-invested in income generating assets, with 20% of resource set-aside to repay debt as loans reach maturity dates	Amended
Capital Investment	Partial Investment Standard (in 10 Years)	Base model assumes partial investment standard in the housing stock, compared with a basic decent homes standard. This will be reviewed as part of the 2014/15 HRA BSR.	Amended
Pay Inflation	2.9%, 3.4%, 3.9% then 4.4%	Assume pay award of 1% and allowance for increments at 1.9% for 2014/15, then phased re-introduction of allowance for pay award at 0.5% per annum until 2.5% from 2017/18 onwards.	Amended
Employee Turnover	3%	Employee budgets - assume an employee turnover saving of 3.0% of gross pay budget for office-based staff.	Retained
Rent Increase Inflation	3.7% for 2013/14, 3.5% from 2015/16, 3% from 2025/26	Rent increases in line with government proposals of RPI at the preceding September plus 0.5% for 2014/15 and then move to CPI plus 1% from 2015/16 to 2024/25. Assume RPI in September 2013 is 3.2%. CPI as above.	Amended
Rent Convergence	Only for Voids	Assume that current government proposals inhibit the ability to move to target rents after 2014/15, except when a property is void. Applied locally for energy efficient voids only	Amended
External Lending Interest Rate	0.64% for 2 years, 1.25% for 2 years, then 1.5%	Interest rate – based on latest market projections (on average 0.64% for 2013/14 and 2014/15, 1.25% for 2015/16 and 2016/17, then 1.5% from 2017/18.	Retained
Internal Lending Interest Rate	0.64% for 2 years, 1.25% for 2 years, 1.5% ongoing	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment the General Fund over the longer term.	Amended
External Borrowing	4.5%	Assumes additional PWLB borrowing at a rate of 4.5%. Current rates for 25 to 50 years range from 4.44% to 4.52%.	Amended

Key Area	Assumption	Comment	Status
Interest Rate			
Internal Borrowing Interest Rate	4.5%	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Amended
HRA Minimum Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, recognising increased risks in HRA Self-Financing environment.	Retained
HRA Target Balances	£3,000,000	Maintain HRA target balance at £3,000,000.	Retained
Right to Buy Sales	42, 35, 30, 25, 20 then 15 sales ongoing	Reinvigoration of the scheme has prompted increased activity. Assume 42 for 2013/14, 35 for 2014/15, then reducing by 5 per annum until 15 per annum ongoing.	Amended
Right to Buy Receipts	Settlement right to buy and assume one-for-one receipts included	Right to buy receipts in the debt settlement included, assuming the receipts will be utilised partly for general fund housing purposes. Anticipated one-for-one receipts have been included, but prudently only those received to date have been committed to specific new build schemes. The proportion for debt repayment has currently been set-aside.	Amended
Void Rates	Property specific for 2013/14, then 1%	Assumes continued higher void rate for 2013/14 based upon actual activity, then 1% assumed from 2014/15 onwards.	Retained
Bad Debts	0.56% for 2013/14, then 1.12%	Historic bad debt provision made in the HRA was increased by 100% from 2013/14 to reflect the requirement to collect 100% of rent directly. Universal credit is delayed until at least April 2014, so amend current year back to 0.56%. Assumes an extension of the existing rent payment profile across the entire housing stock.	Retained
Rent Collection Transactional Costs	An increase in transactional costs of £100,000 per annum from 2014/15	An increase of £100,000 per annum was included from 2013/14, recognising the increase in transactional collection costs associated with the requirement to collect 100% of rent directly from tenants, as opposed to receiving approximately 50% via housing benefit as currently happens. With Universal Credit delayed until April 2014, this assumption has been deferred by one year.	Retained
Debt Management Expenses	£20,000 per annum	Internal treasury management is recharged within existing SLA's. This allows a provision for specialist financial advice in this field, now from 2014/15.	Retained
New Build Programme	250 Units	Assumes delivery of the current 3-year affordable housing investment programme of 146 units, where HCA grant funding has been approved and an additional 104 units on the Clay Farm site in 2016/17.	Retained
Savings Target	2%	A savings target is included in the HRA model, with the assumption that savings and efficiencies will be driven	Retained

Key Area	Assumption	Comment	Status
		out to allow strategic re-investment. The target is calculated as a percentage of net general management and repairs administration expenditure.	
Responsive Repairs Expenditure	Reduced pro rata to stock reductions	An assumption is made that direct responsive repair expenditure is reduced annually in line with any reduction in stock numbers.	Retained
Policy Space	£150,000	Policy space retained in base model at an increased level for 5 years recognising desire to expand services and respond to external pressures. To be reviewed as part of 2014/15 HRA Budget Setting Report.	Retained
Service Reviews	On case by case basis	Outcomes of service reviews will deliver ongoing benefit to the HRA as indicated in the review business case.	Retained

Appendix B

Service Charges

	Charges 2013/14	Charge Basis	Charges 2014/15
General Stock			
Caretaking Charge	£0.80 to £5.30	Per Week Over 48 Weeks	A
Communal Cleaning	£1.08 to £4.60	Per Week Over 48 Weeks	A
Estate Services Champion	£0.76	Per Week Over 48 Weeks	A
Window Cleaning	£0.01 to £1.53	Per Week Over 48 Weeks	A
Door Entry	£0.14 to £1.66	Per Week Over 48 Weeks	B
Passenger Lifts	£0.45	Per Week Over 48 Weeks	B
Gas Maintenance / Servicing	£2.07	Per Week Over 48 Weeks	B
Digital TV Aerial Charge	£0.49	Per Week Over 48 Weeks	A
General Sheltered Schemes			
Premises Charge	£0.67 to £20.19	Per Week Over 48 Weeks	A
Communal Heating / Lighting	£2.29 to £8.25	Per Week Over 48 Weeks	A
Individual Heating / Lighting	£4.86 to £12.09	Per Week Over 48 Weeks	A
Water	£2.24 to £3.15	Per Week Over 48 Weeks	A
Grounds Maintenance	£0.90 to £2.27	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£2.63 to £4.80	Per Week Over 48 Weeks	B
Ditchburn Place			
Premises Charge	£2.83 to £52.54	Per Week Over 48 Weeks	A
Communal Heating / Lighting	£0.67 to £5.42	Per Week Over 48 Weeks	A
Individual Heating / Lighting	£6.50 to £10.49	Per Week Over 48 Weeks	A
Water	£3.91 to £6.49	Per Week Over 48 Weeks	A

Catering	£90.38	Per Week Over 48 Weeks	A
Grounds Maintenance	£1.86	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£2.47	Per Week Over 48 Weeks	B
Launderette Charges - Wash	£3.00	As Requested	A
Temporary Accommodation			
Premises Charge	£48.12 to £55.36	Per Week Over 48 Weeks	A
Individual Heating / Lighting	£14.05 to £23.88	Per Week Over 48 Weeks	A
Water	£6.89	Per Week Over 48 Weeks	A
Electrical / Mechanical Maintenance	£3.55 to £7.18	Per Week Over 48 Weeks	B
Independent Living Services			
Private Lifelines - In City	£4.65	Per Week Over 52 Weeks	£4.65
Private Lifelines - Out City	£7.53	Per Week Over 52 Weeks	£7.53
Keysafe / Keyholding Charge	£1.88	Per Quarter	£1.88
Warden Agencies	£4.04	Per Week Over 52 Weeks	£4.04
Monitoring Charge	£0.32	Per Week Over 52 Weeks	£0.32
Leasehold Charges for Services			
Solicitors' pre-sale enquiries	£75.00	As Requested	£75.00
Copy of lease	From £20.00	As Requested	From £20.00
Re-mortgage Enquiry/Copy of Insurance schedule	£25.00	As Requested	£25.00
Notice of Assignment/Notice of Charge	£75.00	As Requested	£75.00
Deed of Variations	£150.00	As Requested	£150.00
Retrospective consent for improvements	£10.00	As Requested	£25.00
Registering sub-let details	£50.00	As Requested	£50.00
Initial Administration Fee/Survey for Application to purchase Loft Space	N/A	As Requested	£150.00

Key	
A	These charges are currently (or will be - in the case of any new charges), based on recovering the actual cost of service provision and the proposal is to continue to recover the full estimated cost of providing these services in 2014/15.
B	These charges were separated out from pooled rent in 2004/05, and therefore can be increased to recover full cost up to a maximum of inflation at 3.7% (RPI at September 2013 plus 0.5%) for future years.
	<p>Service charges levied for support activities will be subject to alteration as a result of the savings requirement, or tender / community budgeting negotiation outcomes, as arrived at by the County Council Supporting People Team.</p> <p>Charges for the optional household contents insurance scheme will continue to be determined by the insurer but notified to tenants by the Council.</p>

Appendix C

HRA Earmarked & Specific Funds (£'000)

Repairs & Renewals

Housing Revenue Account	Opening Balance	Contributions	Expenditure to Oct	Current Balance
General Management	(1,088.5)	(141.8)	0.3	(1,230.0)
Special Services	(1,019.9)	(138.3)	42.9	(1,115.3)
Repairs and Maintenance	(40.9)	(12.4)	0.0	(53.3)
Totals	(2,149.3)	(292.5)	43.2	(2,398.6)

Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to Oct	Current Balance
MRR	(5,111.5)	0.0	0.0	(5,111.5)

Shared Ownership

	Opening Balance	Contributions	Expenditure to Oct	Current Balance
Shared Ownership	(300.0)	0.0	0.0	(300.0)

Tenants Survey

	Opening Balance	Contributions	Expenditure to Oct	Current Balance
Tenants Survey	(35.3)	(6.2)	0.0	(41.5)

Aerial – Roof Space Rental

	Opening Balance	Contributions	Expenditure to Oct	Current Balance
Aerial Income	(96.5)	(17.7)	3.3	(110.9)

Pension Reserve

	Opening Balance	Contributions	Expenditure to Oct	Current Balance
Pension Reserve	(192.7)	(197.3)	0.0	(390.0)

Debt Set-Aside (Revenue)

	Opening Balance	Contributions	Expenditure to Oct	Current Balance
Debt Set-Aside	(1,090.4)	0.0	0.0	(1,090.4)

2014/15 Budget - HRA 2013/14 Revised Budget

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Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Revised Budget

Housing Revenue Account

RB3341 (IA170-1)	Expansion of Internal Audit Shared Service	(1,000)	0	0	0	0	Steve Crabtree	
	Expansion of Internal Audit shared service to include South Cambridgeshire District Council. (Linked to SR3391 and General Fund portion of savings: SR3327).							
RB3359	(Savings in operational costs for the Community Safety (Anti-Social Behaviour) Team	(2,800)	0	0	0	0	Julia Hovells	?
	Operational savings are proposed in this service area, predominantly relating to a decision to utilise an ASB database system procured and funded externally, as opposed to implementing and supporting a solution in-house. (Linked to RB3442 in the General Fund).							
RB3361	(Reduction in caretaking budgets due to vacancies held	(40,100)	0	0	0	0	Robert Hollingsworth	?
	Two new vacant caretaker posts have not been recruited to, pending the outcome of the building cleaning review and associated consultation.							
RB3367	(Increased costs of gas maintenance contract.	58,400	0	0	0	0	Bob Hadfield	?
	The budget required for the gas maintenance contract has been reviewed, taking into consideration the number of properties that now have gas appliances installed, the value of contract increases in inflationary terms and the need to recognise a bonus related element that is incorporated into the existing contract. See also UR3368							
RB3376	(Estates & Facilities Restructure Staff Exit Costs	65,000	0	0	0	0	Bob Hadfield	?
	The restructure of Estates & facilities will deliver ongoing savings from 2014/15, with the need to fund exit costs for staff in 2013/14 to facilitate this. (Linked to S3379).							
RB3377	(Reduction in Estates and Facilities staff costs capitalised for 2013/14	150,400	0	0	0	0	Bob Hadfield	?
	The proportion of staff costs that can be capitalised for 2013/14 has been reviewed based upon the most up to date time allocations available, resulting in an anticipated reduction in the value. This will be directly offset by a reduction of the same value in the fees budget included as part of the Housing Capital Investment Plan, delivering a nil net effect overall. (See also UR3378).							
RB3390	(Internal Audit - One-off Employee Cost Savings	(7,000)	0	0	0	0	Steve Crabtree	

2014/15 Budget - HRA 2013/14 Revised Budget

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Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Revised Budget

One-off employee cost savings due to delay in recruiting to vacant post. (Linked to RB3326 - General Fund portion of savings).

RB3433	() Reduction in anticipated commercial property rental income	9,300	0	0	0	0	Julia Hovells	?
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The timing of rent reviews, an increase in the void period for commercial property owned by the HRA and an element of bad debt, is anticipated to result in a lower than expected rental yield for 2013/14. (See also UR3362).

RB3434	() Reduction in rent income	11,900	0	0	0	0	Julia Hovells	?
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The speed at which many of the properties identified for re-development have been vacated, combined with the timing of occupancy for the new scheme at Jane's Court and some longer term management voids, results in a marginally lower level of rent income being anticipated in 2013/14 compared with assumptions made as part of the mid-year financial review.

RB3435	() Increase in anticipated service charge income	(21,900)	0	0	0	0	Julia Hovells	?
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Additional service charge income from tenants and leaseholders is anticipated in 2013/14 due predominantly to the recovery from leaseholders of higher prior year actual costs as part of the charges levied for 2013/14 and an increase in the number of leaseholders as more flats have been sold in the year to date.

RB3453	() Reduction in Direct Revenue Financing (DRF) of the Housing Capital Investment Plan for 2013/14	(150,400)	0	0	0	0	Julia Hovells	?
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A reduction in the level of staff costs that will be recharged to capital for the current year results in a corresponding reduction in the level of revenue resource required to finance the capital programme. (Linked to RB3377).

Total Revised Budget in Housing Revenue Account	71,800	0	0	0	0
Total Revised Budget	71,800	0	0	0	0
Report Total	71,800	0	0	0	0

2014/15 Budget - HRA Non-Cash Limit Items

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Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Non-Cash Limit Items

Housing Revenue Account

NCL3374	() Additional rent income		0	(151,000)	(151,000)	(151,000)	(151,000)	Julia Hovells	?
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A combination of the level of RPI at September 2013 (3.2%), a low level of voids and the decision to move energy efficient void properties straight to target rent results in a higher level of rent income than anticipated in 2014/15.

NCL3443	() Non-Cash Limit Item to remove duplicated carry forward		0	(40,000)	(40,000)	(40,000)	(40,000)	Julia Hovells	
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The base budget incorporated an error in respect of funding for repairs IT systems, where a duplicate entry requires correction in future years.

NCL3449	() Increase in capitalisation of costs associated with right to buy		0	(10,300)	(10,300)	(10,300)	(10,300)	Julia Hovells	
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The continued higher level of right to buy sales being experienced currently gives rise to the ability to capitalise a higher proportion of the administrative costs associated with the sale of dwellings. This will be offset by a reduction in the capital receipt available for re-investment.

NCL3450	() Adjustemnt to anticipated depreciation charges to the HRA		0	123,300	(62,100)	(62,100)	(62,100)	Julia Hovells	
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An increase in depreciation is anticipated in 2014/15 due to the need to depreciate new and surplus assets (assets held for disposal or demolition at 1/4/2014) on a different basis to the rest of the housing stock. This figure will reduce from April 2015, by which point all of the surplus assets will have been demolished and re-developed.

NCL3451	() Reduction in the level of Direct Revenue Financing of the Housing Capital Plan		0	(166,200)	(166,200)	(166,200)	(166,200)	Julia Hovells	
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A reduction in the level of HRA staff costs that can be capitalised causes a direct increase in the revenue costs associated with repairs and a corresponding reduction in the capital cost. This means that the funding for these posts is required in revenue, resulting in a reduction in the level of DRF required. (Linked to UR3378).

NCL3452	() Reduction in net interest costs and debt arrangement fees		0	(430,790)	(430,790)	(430,790)	(430,790)	Julia Hovells	
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A significant reduction in the estimated interest costs that the HRA will incur in 2014/15 is anticipated, as a direct result of re-phasing the first significant spend for Clay Farm into 2015/16, when build costs are incurred as the first phase of dwellings is released. This assumes that the authority borrows at current PWLB rates, from the beginning of 2014/15 in order to fund other aspects of the affordable housing development programme.

2014/15 Budget - HRA Non-Cash Limit Items

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Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Non-Cash Limit Items

Total Non-Cash Limit Items in Housing Revenue Account		0	(674,990)	(860,390)	(860,390)	(860,390)		
Total Non-Cash Limit Items		0	(674,990)	(860,390)	(860,390)	(860,390)		
Report Total		0	(674,990)	(860,390)	(860,390)	(860,390)		

2014/15 Budget - HRA Cash Limit Items

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Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Reduction required to Cash Limit

Housing Revenue Account

RCL3436	() HRA Savings Target, to include reduction in repairs in line with anticipated stock changes		0	140,030	140,030	140,030	140,030	Julia Hovells
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The savings target for the HRA for 2014/15 onwards is equivalent to 2% of general management costs (£113,000) and a reduction in response repairs in line with anticipated stock changes (£27,030).

Total Reduction required to Cash Limit in Housing Revenue Account

0	140,030	140,030	140,030	140,030
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Total Reduction required to Cash Limit

0	140,030	140,030	140,030	140,030
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2014/15 Budget - HRA Cash Limit Items

Page 2 of 6

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Unavoidable Revenue Bids

Housing Revenue Account

UR3362	() Reduction in anticipated commercial property rental income		0	9,600	9,600	9,600	9,600	Julia Hovells	U
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The timing of rent reviews and an increase in the void period for commercial property owned by the HRA is anticipated to result in a lower than expected rental yield from 2014/15. (See also RB3433).

UR3365	() Increased costs for Ditchburn Place		0	14,100	14,100	14,100	14,100	Laura Wilderspin	U
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The costs of the night service which relate to premises activity have increased by £12,400, recognising that not only 50% of the contracted night staff should be charged to the HRA, but also 50% of the cost of relief night staff who cover leave and sickness absence. The service will also lose the potential for guest room income of £1,700, once the refurbishment programme begins.

UR3368	() Increased costs of gas maintenance contract.		0	61,100	61,100	61,100	61,100	Bob Hadfield	U
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The budget required for the gas maintenance contract has been reviewed, taking into consideration the number of properties that now have gas appliances installed, the value of contract increases in inflationary terms and the need to recognise a bonus related element that is incorporated into the existing contract. (See also RB3367).

UR3373	() Increased costs for the provision of building based services at Jane's Court		0	12,500	12,500	12,500	12,500	Julia Hovells	U
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The creation of Jane's Court will result in additional costs, such as building cleaning, window cleaning and grounds maintenance in managing the housing scheme. This cost will be directly offset by additional service charge income, where costs are passed on to tenants and residents. (Linked to S3372).

UR3378	() Reduction in Estates and Facilities staff costs capitalised for 2014/15 onwards.		0	166,200	166,200	166,200	166,200	Bob Hadfield	U
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The proportion of staff costs that can be capitalised from 2014/15 onwards has been reviewed based upon the most up to date time allocations available, resulting in an anticipated reduction in the value. This will be directly offset by a reduction of the same value in the fees budget included as part of the Housing Capital Investment Plan, delivering a nil net effect overall. (See also RB3377).

UR3382	() Reduction in anticipated service charge income		0	6,210	870	870	870	Julia Hovells	U
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2014/15 Budget - HRA Cash Limit Items

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Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Unavoidable Revenue Bids

A marginally lower level of net income is anticipated from 2014/15 due predominantly to the planned refurbishment works at Ditchburn Place, which will be carried out in phases and a reduction in income from leaseholders, where lower repairs costs in 2012/13 have a direct impact on income received in 2014/15, when retrospective adjustments are made for prior year actual costs. This is broadly offset by an assumed increase in caretaking service charges, from the point at which the two new vacant posts are recruited to.

UR3383	()		0	40,200	40,200	40,200	40,200	Frances Swann	U
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The decision to increase the supply of temporary accommodation units from 60 to 85 in 2013 will result in an increase in costs for things such as gas, water & electricity for the service area. These additional costs will be met by service charges from the tenants directly. (Linked to S3384).

UR3440	()		0	60,320	60,320	60,320	60,320	Robert Hollingsworth	
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A review of the costs of building cleaning provided by Streets and Open Spaces in sheltered schemes and communal areas of flats has identified an under-recovery in the costs passed to the HRA, and therefore on to tenants and leaseholders. It has been assumed that the increase in costs will not be passed on to residents until the outcome of the building cleaning tender, now anticipated to be in April 2015. (Linked to S3441).

Total Unavoidable Revenue Bids in Housing Revenue Account		0	370,230	364,890	364,890	364,890			
Total Unavoidable Revenue Bids		0	370,230	364,890	364,890	364,890			

2014/15 Budget - HRA Cash Limit Items

Page 4 of 6

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Service Reviews

Housing Revenue Account

SR3325 (IA172-1)	Reduction to the Size of the Internal Audit Team		0	(12,900)	(12,900)	(12,900)	(12,900)	Steve Crabtree
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A review has been undertaken to evaluate the level and nature of the audit function with a view to reducing the size of the team without materially affecting the level of audit assurance. (Linked to SR3328 - General Fund portion of savings).

SR3388 (ICT215-1)	Further ICT Facilities Management Contract Cost Reductions		0	(9,200)	(9,200)	(9,200)	(9,200)	James Nightingale
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Further contract savings are deliverable arising from the reduced support effort in moving to a Windows environment. (Linked to SR3311 - General Fund portion of savings).

SR3389 (ICT214-1)	Reduce Size of ICT Client Team		0	(8,500)	(11,500)	(11,500)	(11,500)	James Nightingale
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This proposal would reduce the size of the ICT Client Team by one post, and will reduce the level of support for departments and the number of projects undertaken accordingly. (Linked to SR3312 - General Fund portion of savings).

SR3391 (IA170-1)	Expansion of Internal Audit Shared Service		0	(1,800)	(1,800)	(1,800)	(1,800)	Steve Crabtree
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Expansion of Internal Audit shared service to include South Cambridgeshire District Council. (Linked to RB3341 and General Fund portion of savings: SR3327).

Total Service Reviews in Housing Revenue Account		0	(32,400)	(35,400)	(35,400)	(35,400)		
Total Service Reviews		0	(32,400)	(35,400)	(35,400)	(35,400)		

2014/15 Budget - HRA Cash Limit Items

Page 5 of 6

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Savings

Housing Revenue Account

S3358	() Savings in operational costs across HRA General Management service areas.		0	(2,700)	(2,700)	(2,700)	(2,700)	Julia Hovells	?
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Operational savings are proposed across this service area, relating to reductions in travel, stationery and postage costs.

S3370	() HRA General and Special Salary Savings		0	(35,100)	(12,900)	(12,900)	(12,900)	Julia Hovells	?
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Net savings anticipated in the salaries for staff working in HRA General and Special service areas due to recruitment to vacancies at lower spinal column points and staff at top of grades not being entitled to incremental progression.

S3371	() Reduction in operational costs for the Independent Living Service		0	(15,900)	(15,900)	(15,900)	(15,900)	Frances Swann	?
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A reduction in overall staff in this service area following a restructure of the management team, combined with procurement savings, has resulted in the ability to reduce budgets for training, telephones, car and cycle allowances and cleaning costs.

S3372	() Increased service charge income in respect of Jane's Court		0	(12,500)	(12,500)	(12,500)	(12,500)	Julia Hovells	?
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The creation of Jane's Court will result in additional service charge income from tenants and residents in the housing scheme. This income will be directly offset by additional unavoidable expenditure for the services provided. (Linked to UR3373).

S3379	() Staff savings in Estates and Facilities		0	(98,500)	(98,500)	(98,500)	(98,500)	Bob Hadfield	?
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A restructure of the Estates and Facilities Service in 2012 incorporated two fixed term posts to undertake the Repairs & Maintenance Improvement Plan Project. Once complete, the posts will be deleted, resulting in an ongoing additional restructure saving of £62,340. This is coupled with a saving of £36,160 where funding was included for 5 new posts as part of the 2012 MTS at a higher level than was required following evaluation of the proposed roles and successfully recruiting to the vacancies. (Linked to RB3376).

S3381	() HRA Responsive Repairs Saving		0	(73,300)	(73,300)	(73,300)	(73,300)	Bob Hadfield	?
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Savings in the responsive repairs budget anticipated as a result of the Repairs Improvement Plan.

S3384	() HRA Temporary Accommodation Saving		0	(40,200)	(40,200)	(40,200)	(40,200)	Frances Swann	?
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2014/15 Budget - HRA Cash Limit Items

Page 6 of 6

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Savings

The decision to increase the supply of temporary accommodation units from 60 to 85 in 2013 will result in additional income being received from service charges for things such as gas, water & electricity directly from the tenants. (Linked to UR3383).

S3386	()	HRA Void Repairs Saving	0	(205,800)	(205,800)	(205,800)	(205,800)	Bob Hadfield	?
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A reduction is proposed in the voids budget based upon a combination of a reduced cost per void property and a reduction in void numbers. This will need to be reviewed if void numbers and costs fluctuate at any point in the future.

S3441	()	Increase in service charge income for building cleaning services	0	0	(60,320)	(60,320)	(60,320)	Robert Hollingsworth	
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A review of the costs of the building cleaning service provided by Streets and Open Spaces in sheltered schemes and communal areas of flats has identified an under-recovery in costs. This additional cost is anticipated to be passed on to residents in the form of an increase in service charge onll after the conclusion of the building cleaning tender, which is now anticipated to be from April 2015. (Linked to UR3440).

Total Savings in Housing Revenue Account	0	(484,000)	(522,120)	(522,120)	(522,120)
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Total Savings	0	(484,000)	(522,120)	(522,120)	(522,120)
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Report Total	0	(6,140)	(52,600)	(52,600)	(52,600)
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2014/15 Budget - HRA PPF Funding and Bids

Page 1 of 3

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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PPF Funding**Housing Revenue Account**

FPPF3437	() Priority Policy Space Funding for 2014/15	0	(150,000)	(150,000)	(150,000)	(150,000)	Julia Hovells	
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PPF funding of £150,000 is included for 2014/15 on an ongoing basis.

**Total PPF Funding in Housing Revenue
Account**

0 (150,000) (150,000) (150,000) (150,000)

Total PPF Funding

0 (150,000) (150,000) (150,000) (150,000)

2014/15 Budget - HRA PPF Funding and Bids

Page 2 of 3

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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PPF Bids

Housing Revenue Account

PPF3364	() Cost of support and maintenance for the Cambridge Public Sector Network and Wireless installations in Housing Offices		0	7,300	7,300	7,300	7,300	Julia Hovells	H
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As part of a wider Council initiative it is proposed to introduce the new Cambridge Public Sector Network for IT access at the two area housing offices, 116 Chesterton Road and Ditchburn Place, to improve operational efficiency. The project will have ongoing support and maintenance implications, which are requested as part of this PPF bid.

PPF3366	() Additional finance staffing input for the Housing Service		0	44,600	44,600	44,600	44,600	Robert Hollingsworth	M
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Reductions in staffing made as part of the support services and Estates and Facilities restructures, coupled with the additional workload as a result of self-financing for the HRA, necessitate consideration of additional staffing resource to ensure that the finances for both the repairs service and the re-development programme can be managed effectively.

PPF3375	() Funding for two Repairs Apprentices		0	15,000	15,000	15,000	15,000	Bob Hadfield	M
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Funding is requested to allow the recruitment of two Repairs Apprentices, allowing the authority to support the training and development for young people in the workplace.

PPF3385	() HRA Tenancy Sustainment Officer PPF Bid		0	67,300	67,300	67,300	67,300	Lynda Kilkelly	H
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It is proposed that additional resource be identified to work with households where chaotic lifestyles or mental health are of a concern, supporting the tenant to sustain their tenancy. This bid will fund two posts, one entirely HRA funded and the other funded 75 % HRA and 25% General Fund, with the General Fund element coming from existing Homelessness Prevention Grant funding.

PPF3387	() HRA Welfare Reforms Officer PPF Bid		0	0	62,000	62,000	62,000	Robert Hollingsworth	H
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It is proposed to retain the two FTE Assistant Housing Officers dealing with the ongoing issues associated with welfare reforms, on a permanent basis, after the current fixed term funding expires.

PPF3432	() Costs of annual support and maintenance for enhancements to the Orchard Housing Management System		0	1,400	1,400	1,400	1,400	Robert Hollingsworth	M
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2014/15 Budget - HRA PPF Funding and Bids

Page 3 of 3

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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PPF Bids

Proposed capital investment to enhance the Orchard Housing Management System to add a customer management facility will result in additional ongoing support and maintenance costs.

Total PPF Bids in Housing Revenue Account	0	135,600	197,600	197,600	197,600
Total PPF Bids	0	135,600	197,600	197,600	197,600
Report Total	0	(14,400)	47,600	47,600	47,600

2014/15 Budget - HRA Capital Bids

Page 1 of 2

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Unavoidable Capital Bids

Housing Revenue Account

UC3467	() Emergency works to the water main at Kingsway flats	48,000	0	0	0	0	John Horwood	
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Leaks have been identified in the 3 water mains serving Kingsway flats, which has prompted the need for immediate, unanticipated, but unavoidable action and corresponding investment.

UC3471	() Increase in budget for major voids / major works in 2014/15	0	150,000	0	0	0	Bob Hadfield	
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Decent homes and structural issues with a particular housing dwelling and surrounding block, necessitates a bid for resource to remedy the problems that exist.

Total Unavoidable Capital Bids in Housing Revenue Account	48,000	150,000	0	0	0	0		
Total Unavoidable Capital Bids	48,000	150,000	0	0	0	0		

2014/15 Budget - HRA Capital Bids

Page 2 of 2

Reference (RO Ref)	Item Description	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	2016/17 Budget £	2017/18 Budget £	Contact	Officer Priority (Bids)
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Capital Bids

Housing Revenue Account

C3363	() Cost of installation for the Cambridge Public Sector Network and Wireless in Housing Offices		0	76,000	0	0	0 Julia Hovells	H
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As part of a wider Council initiative it is proposed to introduce the new Cambridge Public Sector Network for IT access at the two area housing offices, 116 Chesterton Road and Ditchburn Place, to improve operational efficiency.

C3431	() Costs of purchase and implementation of an enhancement to the Orchard Housing Management System		0	9,000	0	0	0 Robert Hollingsworth	M
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This capital investment will enhance the Orchard Housing Management System to add a customer management facility, which will improve efficiency in dealing with customer contacts and therefore the customer experience.

C3455	() Reduction in Internal Capital Fees	(150,400)	(166,200)	(166,200)	(166,200)	(166,200)	Bob Hadfield	
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A review of the time staff spend between capital and revenue activity has resulted in a reduction in the time charged to capital budgets as internal fees. This results in a direct reduction in the level of revenue financing of capital required, releasing the revenue resource to fund the staff from revenue instead. (Linked to RB3377 and UR3378).

Total Capital Bids in Housing Revenue Account		(150,400)	(81,200)	(166,200)	(166,200)	(166,200)		
Total Capital Bids		(150,400)	(81,200)	(166,200)	(166,200)	(166,200)		
Report Total		(102,400)	68,800	(166,200)	(166,200)	(166,200)		

Appendix I

New Build Investment Cashflow – Scheme Specific and Outline Approvals

New Build / Re-Development Scheme	2012/13 Actuals	2013/14 Budget	2014/15 Budget	2015/16 Budget
	£'0	£'0	£'0	£'0
New Build / Re-Development Cash Expenditure (Net of Developer's Cross Subsidy / Notional Land Value)				
Seymour Court / Jane's Court	984,590	248,310	0	0
Latimer Close	276,920	634,520	551,420	0
Barnwell Road	129,660	496,370	681,400	0
Campkin Road (Phase 1)	188,310	1,642,810	974,970	0
Colville Road (Phase 1)	87,390	651,650	902,610	0
Water Lane	29,960	725,960	876,380	0
Aylesborough Close	42,880	1,549,490	1,323,490	0
Stanesfield Road	8,410	452,530	263,970	0
Wadloes Road	0	250,960	501,910	0
Atkins Close (Garage Site)	1,300	246,320	495,230	0
Hawkins Road (Garage Site)	0	0	549,030	0
Fulbourn Road (Garage Site)	0	0	323,560	0
Ekin Road (Garage Site)	0	0	474,030	0
Market Housing on Garage Re-Development Sites	0	0	2,875,000	0
Clay Farm	0	0	143,850	8,104,820
Total New Build/ Re-Development Expenditure	1,749,420	6,898,920	10,936,850	8,104,820
New Build / Re-Development Grant & Area Committee Funding				
Seymour Court / Jane's Court	(167,240)	(187,220)	0	0
Latimer Close	0	(106,340)	(106,340)	0
Barnwell Road	0	(106,340)	(106,340)	0
Campkin Road (Phase 1)	0	(177,230)	(177,230)	0
Colville Road (Phase 1)	0	(168,370)	(168,370)	0
Water Lane	0	(124,060)	(124,060)	0
Aylesborough Close	0	(186,090)	(186,090)	0
Stanesfield Road (Incl. 100k Area C'ttee Grant)	0	(135,450)	(35,450)	0

Appendix J

Key Risk Analysis

Risk Area & Issue arising	Controls / Mitigation Action
Effects of Legislation / Regulation	
<p>Implications of new legislation / regulation or changes to existing are not identified.</p> <p>Funding is not identified to meet the costs associated with changes in statutory requirements.</p> <p>HRA Debt Settlement could be re-opened by Government</p> <p>Ability to move properties to target rent is constrained by legislative changes</p>	<ul style="list-style-type: none"> • Effective processes are in place for the HRA to ensure that implications are identified and raised • Additional / specific funding enhancements for new services are earmarked for that purpose, to ensure effective implementation • The Council has processes in place to manage the demands of local and national housing agendas, including the Vision Statement and HRA Business Plan • Impact of proposed changes to national rent policy is incorporated into financial planning. • Consideration could be given to remedial action in 2014/15.
Housing Portfolio & Spending Plans	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets.</p>	<ul style="list-style-type: none"> • Council has adopted medium and long-term modelling (up to 30 years) for HRA, to ensure decisions are made in the knowledge of long-term deliverability issues / implications • Council has a policy of requiring R&R Funds to be in place to cover all major assets with a finite life, with long-term programmes for key areas • The Business Plan includes long-term trend analysis on key cost drivers such as growth levels and demographics, and their implications • Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures

Risk Area & Issue arising	Controls / Mitigation Action
Financial planning lacks appropriate levels of prudence	
<p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital & Revenue Projects Plan is not available</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> • Use of external expert opinion and detailed trend data to inform assumptions • Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process • Adoption of strict medium / long-term planning • Policy on applying general capital receipts for strategic disposals only at point of receipt
External income / funding streams	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p> <p>Rent and service charge arrears increase and bad debt rises, as a direct result of the Welfare Benefit Reforms</p> <p>Rent income is under-achieved due to a major incident in the housing stock</p> <p>Changes to the right to buy rules and pooling regulations result in a continued significant increase in sales and commitment to deliver replacement units or pay over receipts with interest</p> <p>The economic downturn reduces the ability to fund capital pressures from the sale of assets</p>	<ul style="list-style-type: none"> • Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis on potential changes • Council seeks to influence national settlements and legislative changes through response to formal consultation and the provision of information to negotiation bodies such as LGA and CIH • Increased resources identified for income management. Performance closely monitored to allow further positive action if required. • Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of incident • Sensitivities modelled so potential impacts are understood • Retained resources are monitored to ensure delivery of required units or return of resource at earliest opportunity • Policy on applying general capital receipts for strategic disposals only at point of receipt

Risk Area & Issue arising	Controls / Mitigation Action
Use of resources including Projects and Partnerships	
<p>There is ineffective use of the resources available to the HRA</p> <p>Failure to deliver Major Housing / Development Projects, i.e. return on capital, project on time etc.</p>	<ul style="list-style-type: none"> • Council employs robust business planning in key activity areas • Council has adopted a standard project management framework • Housing Service is required to contribute to Portfolio Planning process, linked directly to resources • MTOs are used to prioritise available resources ensuring best match with objectives • Performance and contractor management procedures have been updated • Organisational development and workforce planning activity is being targeted • The Council has been recognised as a high performer under the national Use of Resources assessment, scoring a maximum rating of 4 in 2008

Appendix K

Business Planning Key Sensitivity Analysis

For indicative purposes, all of the following sensitivities have been modelled against the recommended option, where 25% of the surplus is set-aside, with the balance being re-invested in new affordable housing, during the life of the business plan.

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
Interest Rates for additional borrowing	PWLB fixed rate maturity loan at 4.5%	Assume fixed rate loans, with increase of 2% in interest rates from the outset.	The number of new affordable homes deliverable over the life of the plan is estimated to reduce by approximately 50.
General Inflation	General Inflation using CPI at 2.5% for expenditure	Volatility in the economy could lead to an increase in external costs. 1% increase in general inflation for expenditure only for the life of the plan.	Debt cap is breached in year 10, and investment plan is not deliverable. The number of new build units that could be delivered would reduce by approximately 470 homes.
Rents Inflation	RPI at 3.2% for 2014/15, then CPI at 2.5% from 2015/16	Volatility in the economy could lead to an increase in inflation as measured by CPI. 1% increase in rents base inflation, with no increase in costs from 2015/16 for the life of the plan.	There would be the ability to deliver approximately 680 additional new affordable homes over the life of the plan.
Capital Investment Real Increase Inflation	Capital Investment Inflation at 1% above CPI	A real increase of 1% is allowed for building inflation. Assume that real inflationary increase required is 2% from 2015/16 as the building industry recovers further.	Debt cap is breached in year 15, and investment plan is not deliverable. The number of new build units that could be delivered would reduce by approximately 300 homes.
Investment Income	Business Plan assumes interest on balances increasing to only 1.5% by 2017/18	Rates may fail to recover as anticipated, fall further or recover at a greater pace. Assume ongoing rate does not recover beyond 1%.	£1.2 million reduction in balances over the life of the plan.
Housing Rent Collection and Welfare Benefit Reforms	Budgeted costs based on historic levels of activity, but an increased level of transactional collection costs, with 2 additional staff employed on an ongoing basis	Welfare Benefit Reforms will result in 100% more rent being required to be collected directly from tenants. Assume, in addition to the increase in transactional costs and additional staffing built into the base, an ongoing increase in bad debt of an additional 1% per annum from 2015/16.	The number of new affordable homes deliverable over the life of the plan is estimated to reduce by approximately 70.

Appendix L

HRA Summary Forecast 2013/14 to 2017/18

Description	2013/14 £0	2014/15 £0	2015/16 £0	2016/17 £0	2017/18 £0
Income					
Rental Income (Dwellings)	(34,184,090)	(36,026,200)	(38,117,430)	(40,195,190)	(41,535,570)
Rental Income (Other)	(1,038,110)	(1,064,000)	(1,090,600)	(1,117,870)	(1,145,810)
Service Charges	(2,121,530)	(2,203,270)	(2,325,650)	(2,383,790)	(2,443,390)
Contribution towards Expenditure	(352,570)	(88,260)	(88,340)	(88,420)	(88,500)
Other Income	(409,030)	(403,930)	(414,030)	(424,380)	(434,990)
Total Income	(38,105,330)	(39,785,660)	(42,036,050)	(44,209,650)	(45,648,260)
Expenditure					
Supervision & Management - General	4,764,720	5,053,960	5,237,710	5,495,560	5,666,180
Supervision & Management - Special	2,319,670	2,375,290	2,437,980	2,506,580	2,581,550
Repairs & Maintenance	7,320,570	7,104,020	7,367,300	7,667,220	7,962,860
HRA Subsidy	0	0	0	0	0
Depreciation – t/f to Major Repairs Res.	9,811,240	10,301,160	10,414,470	10,814,380	10,817,770
Debt Management Expenditure	0	20,580	21,490	22,430	23,300
Other Expenditure	526,540	752,920	822,900	894,950	960,940
Total Expenditure	24,742,740	25,607,930	26,301,850	27,401,120	28,012,600
Net Cost of HRA Services	(13,362,590)	(14,177,730)	(15,734,200)	(16,808,530)	(17,635,660)
HRA Share of operating income and expenditure included in Whole Authority I&E Account					
Interest Receivable	(79,420)	(57,360)	(89,600)	(85,290)	(102,200)
HRA (Surplus) / Deficit for the Year	(13,442,010)	(14,235,090)	(15,823,800)	(16,893,820)	(17,737,860)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance					
Loan Interest	7,501,770	7,647,710	7,695,330	7,765,290	7,860,320
Housing Set Aside	0	0	2,351,830	0	1,237,630
Depreciation Adjustment	(2,280,780)	(2,394,240)	(2,505,660)	(2,582,610)	(2,348,040)
Direct Revenue Financing of Capital	10,096,960	8,911,130	8,964,810	11,723,350	10,977,440
(Surplus) / Deficit for Year	1,875,940	(70,490)	682,510	12,210	(10,510)
Balance b/f	(5,495,490)	(3,619,550)	(3,690,040)	(3,007,530)	(2,995,320)
Total Balance c/f	(3,619,550)	(3,690,040)	(3,007,530)	(2,995,320)	(3,005,830)

Appendix M

Housing Capital Investment Plan (5 Year Detailed Investment Plan)

Description	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend					
Assessment Centre	151	0	0	0	0
Disabled Facilities Grants	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195
Long Term Vacants	20	20	20	20	20
Total General Fund Housing Capital Spend	916	765	765	765	765
HRA Capital Spend					
Decent Homes					
Kitchens	970	618	598	292	466
Bathrooms	243	522	525	119	61
Central Heating / Boilers	2,116	1364	606	1,794	1,357
Insulation / Energy Efficiency	159	100	100	100	100
External Doors	278	129	108	63	88
PVCU Windows	373	502	500	912	915
Wall Structure	36	621	63	114	105
Wall Finishes	346	319	230	165	167
Wall Insulation	200	100	100	100	100
External Painting	0	0	0	0	0
Roof Structure	300	800	687	322	300
Roof Covering	2584	215	210	274	658
Chimneys	90	12	2	1	
Electrical / Wiring	183	91	181	317	120
Smoke Detectors	8	19	109	9	26
Sulphate Attacks	102	102	102	102	102
Major Voids / Major Works	98	201	48	53	53

Description	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
HHSRS Contingency	150	100	100	100	100
Other Health and Safety Works	50	50	50	50	50
Other External Works	0	3	5	0	0
Rising Damp / Penetrating Damp	0	0	0	0	0
Capitalised Officer Fees – Decent Homes	439	439	439	439	439
External Professional Fees	19	22	22	22	22
Decent Homes Backlog	0	2,131	1,066	3,019	2,663
Decent Homes Planned Maintenance Contractor Overheads	1,038	818	551	809	760
Total Decent Homes	9,782	9,278	6,402	9,176	8,652
Other Spend on HRA Stock					
Garage Improvements	346	300	300	300	100
Asbestos Removal	200	200	200	200	100
Disabled Adaptations	864	878	878	878	878
Tenants Incentive Scheme	21	21	21	21	21
Communal Areas Uplift	594	796	796	546	546
Fire Prevention / Fire Safety Works	1060	300	300	300	300
Hard surfacing on HRA Land - Health and Safety Works	250	250	280	150	150
Hard surfacing on HRA Land - Recycling	147	0	0	0	0
Communal Areas Floor Coverings	185	185	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	122	122	122	122	122
Lifts and Door Entry Systems	29	13	13	13	13
Fencing	100	100	100	100	100
Cemetery Lodge	49	0	0	0	0
Hanover / Princess Laundry	2	0	0	0	0
East Road Garage Lighting	4	0	0	0	0
TV Aerials	0	0	0	0	0
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	442	311	295	257	226
Total Other Spend on HRA stock	4,415	3,476	3,305	2,887	2,556

Description	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
HRA New Build / Re-Development					
Roman Court	1,193	41	0	0	0
3 Year Affordable Housing Programme	6,899	7,918	0	0	0
3 Year Affordable Housing Programme (Notional Spend – Land Value)	3,009	4,959	0	0	0
Market Housing on Garage Sites	0	2,875	0	0	0
New Build - Clay Farm	0	144	8,105	7,961	0
New Build - Unallocated Retained RTB Receipts	0	0	0	2,408	0
New Build - Investment of HRA Surpluses	0	0	0	4,500	6000
Total HRA New Build	11,101	15,937	8,105	14,869	6,000
Cambridge Standard Works					
Cambridge Standard Works	372	200	200	200	200
Total Cambridge Standard Works	372	200	200	200	200
Sheltered Housing Capital Investment					
Emergency Alarm Service	15	0	0	0	0
Ditchburn Place	1,912	1,900	0	0	0
Brandon Court	0	0	0	0	0
Total Sheltered Housing Capital Investment	1,927	1,900	0	0	0
Other HRA Capital Spend					
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	191	9	0	0	0
Cambridge Public Sector Network	0	76	0	0	0
Shared Ownership Repurchase	300	300	300	300	300
Right of First Refusal Buy Back	520	330	0	0	0
Commercial Property	232	30	30	30	30
Total Other HRA Capital Spend	1,243	745	330	330	330
Total HRA Capital Spend	28,840	31,536	18,342	27,462	17,738

Description	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
Total Housing Capital Spend at Base Year Prices	29,756	32,301	19,107	28,227	18,503
Inflation Allowance and Stock Number Adjustment for Future Years (*)	0	538	1,137	2,464	2,536
Total Inflated Housing Capital Spend	29,756	32,839	20,244	30,691	21,039
Housing Capital Resources					
Right to Buy Receipts	(441)	(495)	(516)	(522)	(527)
Other Capital Receipts (Land and Dwellings)	(400)	0	0	0	0
Notional Land Receipts (New Build Schemes)	(3,009)	(4,959)	0	0	0
Major Repairs Reserve	(9,698)	(10,851)	(7,909)	(8,232)	(8,470)
Direct Revenue Financing of Capital	(10,097)	(8,911)	(8,965)	(11,723)	(10,977)
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(1,615)	(1,505)	(878)	(2,076)	(300)
Retained Right to Buy Receipts	0	(884)	(1,211)	(1,912)	0
Disabled Facilities Grant	(262)	(262)	(262)	(262)	(262)
Prudential Borrowing	0	(4,468)	0	(5,461)	0
Total Housing Capital Resources	(25,522)	(32,336)	(19,741)	(30,188)	(20,536)
Net (Surplus) / Deficit of Resources	4,234	503	503	503	503
Capital Balances b/f	(8,277)	(4,043)	(3,540)	(3,037)	(2,533)
Use of / (Contribution to) Balances in Year	4,234	503	503	503	503
Capital Balances c/f	(4,043)	(3,540)	(3,037)	(2,533)	(2,031)

The inflationary element of the decent homes spend for 2014/15 will be allocated against decent homes elements once the target prices for the new planned maintenance contract are known.

Appendix N

Equalities Impact Assessment

1. Title of strategy, policy, plan, project, contract or major change to your service:
Housing Revenue Account Budget 2014/15
2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?
To enable the Council to set a balanced budget for the Housing Revenue Account, ensuring that maximum resource is available for re-investment in new affordable housing, debt can be supported and a proportion redeemed if required when loans mature, and the authorities housing stock can be managed and maintained to an acceptable standard, meeting tenants and leaseholders priorities.
3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)
<input checked="" type="checkbox"/> Residents (See below) <input type="checkbox"/> Visitors <input checked="" type="checkbox"/> Staff
A specific client group or groups (please state): HRA tenants and leaseholders, including vulnerable
4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)
<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised <input type="checkbox"/> Existing
5. Responsible directorate and service
Directorate: Customer & Community Services Services: Strategic Housing
6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

No

Yes (please give details):

This is an assessment of the Housing Revenue Account budget, and therefore covers all services provided by the authority as a housing landlord to tenants and leaseholders. These services will be provided directly by City Homes, Strategic Housing and Estates & Facilities, with support services provided by other service areas in some cases.

7. Potential impact

Please list and explain how this strategy, policy, plan, project, contract or major change to your service could **positively** or **negatively** affect individuals from the following equalities groups.

(a) Age (any group of people of a particular age, including younger and older people)

A revised budget proposal not to fill two vacant caretaker posts pending the outcome of the building cleaning review has the potential to impact negatively on all residents in a block where the need for the service has been identified, but particularly on older people or those with a disability, where there is a greater dependence upon others to ensure that the living environment is both clean and safe.

An increase in the cost of the gas maintenance contract could impact on residents where gas appliances have been installed in a property where they did not exist before. This will positively impact on the level of thermal warmth in the dwelling, which will be a benefit particularly for older people, those with a disability and those with young children, but will result in an additional service charge for the resident.

A proposed reduction in the operational costs for the Independent Living Service, following a restructure of the senior management team, has the potential for an adverse impact on the standards of service to older residents in sheltered housing. To mitigate this, the formal restructure of the service has been implemented in such a way that it sought to ensure that service standards are maintained.

The increased costs of the current building cleaning service in sheltered housing has the potential to impact negatively on residents at the point at which they are asked to pay higher service charges. The impact of this increased cost to the HRA has been mitigated in the short term by ensuring that costs are not passed on until the formal market testing and possible tender process has been completed, by which point a new specification for services will have been consulted upon and agreed with stakeholders, and the costs will have been externally validated.

The proposal to fund two Repairs Apprentices positively impacts on the provision of learning for young people who might not otherwise have the opportunity to gain employment skills,

and therefore employment opportunities in the longer-term.

The County Council's intention to introduce community budgeting for support services in sheltered housing may result in a reduced level of direct service, as services are expected to be provided to a wider client group within reduced contract resources. A bid for additional funding from the HRA in 2013/14 sought to mitigate the impact on the residents in our sheltered schemes, by providing the opportunity to deliver enhanced housing management services. This will need to be reviewed in light of recent discussions with the County Council.

(b) Disability (including people with a physical impairment, sensory impairment, learning disability, mental health problem or other condition which has an impact on their daily life)

A revised budget proposal not to fill two vacant caretaker posts pending the outcome of the building cleaning review has the potential to impact negatively on all residents in a block where the need for the service has been identified, but particularly on older people or those with a disability, where there is a greater dependence upon others to ensure that the living environment is both clean and safe.

An increase in the cost of the gas maintenance contract could impact on residents where gas appliances have been installed in a property where they did not exist before. This will positively impact on the level of thermal warmth in the dwelling, which will be a benefit particularly for older people, those with a disability and those with young children, but will result in an additional service charge for the resident.

An increase in the number of temporary housing units provided in our own stock is anticipated to positively impact on our ability to support and house vulnerable people, and possibly those with mental health problems, who find themselves homeless.

A Priority Policy Fund bid to employ dedicated staff to work to help sustain tenancies for those with chaotic lifestyles or mental health problems, will positively impact this particular client group, minimising the likelihood that vulnerable households will find themselves intentionally homeless.

(c) Gender

There are no discrete implications for this equalities group.

(d) Pregnancy and maternity

An increase in the cost of the gas maintenance contract could impact on residents where gas appliances have been installed in a property where they did not exist before. This will positively impact on the level of thermal warmth in the dwelling, which will be a benefit particularly for older people, those with a disability and those with babies and young children, but will result in an additional service charge for the resident.

An increase in the number of temporary housing units provided in our own stock is anticipated to positively impact on our ability to support new and expectant mothers who find themselves homeless.

(e) Transgender (including gender re-assignment)

There are no discrete implications for this equalities group.

(f) Marriage and Civil Partnership

There are no discrete implications for this equalities group.

(g) Race or ethnicity

There are no discrete implications for this equalities group.

(h) Religion or belief

There are no discrete implications for this equalities group.

(i) Sexual orientation

There are no discrete implications for this equalities group.

(j) Other factor that may lead to inequality (please state):

The level of inflation applicable to the rent increase for 2014/15 is higher than was anticipated, which may have a detrimental impact, particularly for those on low incomes. The additional income does however facilitate investment in the delivery of additional housing services and new affordable homes, which is anticipated to have positive impact across all groups.

Removal of two fixed term project posts following completion of the Repairs & Maintenance Improvement Plan has the potential to negatively impact monitoring of the anticipated continued improvement of the Repairs Service. To mitigate the impact of a decline in service level which goes un-monitored, the Service Manager will ensure that other staff are tasked with the ongoing monitoring and reporting of service standards.

A reduction in the budget for both response repairs and void works delivers savings which can be re-invested in other housing services. The performance of the Repairs Service will however need to be carefully monitored to ensure that there is no decline in response times, re-let times or service standards, to ensure particularly that there is no delay in housing those in priority need. To mitigate this, the introduction of mobile working is anticipated to improve response times, and increase the number of appointment slots available for response repairs for residents.

The increased costs of the current building cleaning service in flats has the potential to impact negatively on residents at the point at which they are asked to pay higher service charges. The impact of this increased cost to the HRA has been mitigated in the short term by ensuring that costs are not passed on until the formal market testing and possible tender process has been completed, by which point a new specification for services will have been consulted upon and agreed with stakeholders, and the costs will have been externally validated.

The introduction of the Cambridge Public Sector Network, providing faster IT access across housing offices, is anticipated to positively impact on the ability of back office staff to respond to queries, and therefore improve the customer experience.

The purchase and implementation of an additional module to the Orchard Housing Management System to deliver a customer management facility, will improve the efficiency of operation for staff and will directly benefit residents in terms of customer experience.

A Priority Policy Fund bid to employ dedicated staff to work to help sustain tenancies for those with chaotic lifestyles, will positively impact residents, minimising the likelihood that vulnerable households will find themselves intentionally homeless, whilst also mitigating any negative impact for surrounding neighbours.

An increase in the number of temporary housing units and a resulting increase in the costs of managing and maintaining these units is proposed in response to meeting the need for housing homeless households, to include housing for younger people, pregnant and new mothers and those with mental health, drug and alcohol dependency issues.

The proposal to continue to provide additional staffing input to support tenants through the welfare benefit changes, is made in an attempt to mitigate the potential impact for both tenants on low incomes and the Council. The funding will enable staffing resource to be targeted at those groups who need support the most.

8. If you have any additional comments please add them here

9. Conclusions and Next Steps
<ul style="list-style-type: none">• If you have not identified any negative impacts, please sign off this form.• If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.• If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.
All completed Equality Impact Assessments must be emailed to David Kidston, Strategy and Partnerships Manager, who will arrange for it to be published on the City Council’s website. Email david.kidston@cambridge.gov.uk .

10. Sign off
Name and job title of assessment lead officer: Julia Hovells, Business Manager / Principal Accountant
Names and job titles of other assessment team members and people consulted: Catherine Buckle, Business Development Officer Robert Hollingsworth, Head of City Homes Alan Carter, Head of Strategic Housing Bob Hadfield, Head of estates & Facilities
Date of completion: 2/12/2013
Date of next review of the assessment: December 2014

Action Plan

Equality Impact Assessment title: HRA Budget Setting Report

Date of completion:

Equality Group	Age
Details of possible disadvantage or negative impact	<p>1) Decision not to fill two vacant caretaker posts pending outcomes of the building cleaning review may leave estates and communal areas in a lesser condition of cleanliness than aspired to.</p> <p>2) Higher rents and services charges negatively impact the ability of some residents to pay for services or maintain their lifestyle.</p> <p>3) Uncertainty in the future delivery of support services for older people and reductions in operational budgets in this area, could have a negative impact on the quality / level of support received by tenants.</p>
Action to be taken to address the disadvantage or negative impact	<p>1) Housing Officers to monitor communal areas in light of blocks and estates where identified need for service is not currently being met.</p> <p>2) City Homes to monitor arrears that may relate to rent and service charge increases, and ensure remedial action and support is in place for those who need it.</p> <p>3) A bid in the HRA budget process in 2013/14 for enhanced housing management services will go some way to replacing the anticipated reduction in support services provided to sheltered residents. Staff will also work with residents to ensure signposting to other public bodies and voluntary organisations who can provide help and support, whilst actively encouraging expansion of volunteers to assist in our sheltered housing schemes.</p>
Officer responsible for progressing the action	<p>1) Robert Hollingsworth, Head of City Homes</p> <p>2) Robert Hollingsworth, Head of City Homes</p> <p>3) Robert Hollingsworth, Head of City Homes</p>
Date action to be completed by	<p>1) April 2014 ongoing</p> <p>2) April 2014 ongoing</p> <p>3) Ongoing</p>

Equality Group	Disability
Details of possible disadvantage or negative impact	<p>1) Decision not to fill two vacant caretaker posts pending outcomes of the building cleaning review may leave estates and communal areas in a lesser condition of cleanliness than aspired to.</p> <p>2) Higher rents and services charges negatively impact the ability of some residents to pay for services or maintain their lifestyle.</p>
Action to be taken to address the	<p>1) Housing Officers to monitor communal areas in light of blocks and estates where identified need for service is not currently being</p>

disadvantage or negative impact	met. 2) City Homes to monitor arrears that may relate to rent and service charge increases, and ensure remedial action and support is in place for those who need it. Engagement of dedicated staff to support those with mental health problems will help to ensure that vulnerable residents gain all the financial assistance to which they are entitled.
Officer responsible for progressing the action	1) Robert Hollingsworth, Head of City Homes 2) Robert Hollingsworth, Head of City Homes
Date action to be completed by	1) April 2014 ongoing 2) April 2014 ongoing

Equality Group	Gender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	No actions required.
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Pregnancy and maternity
Details of possible disadvantage or negative impact	1) Higher rents and services charges negatively impact the ability of some residents to pay for services or maintain their lifestyle.
Action to be taken to address the disadvantage or negative impact	1) City Homes to monitor arrears that may relate to rent and service charge increases, and ensure remedial action and support is in place for those who need it. .
Officer responsible for progressing the action	1) Robert Hollingsworth, Head of City Homes
Date action to be completed by	1) April 2014 ongoing

Equality Group	Transgender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	No actions required.

Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	No actions required.
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Race or ethnicity
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	No actions required.
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Religion or belief
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	No actions required.
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Sexual orientation
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	No actions required.
Officer responsible for progressing the action	
Date action to be completed by	

Other	Other factors that may lead to inequality
Details of possible disadvantage or negative impact	1) Higher rents and services charges negatively impact the ability of some residents to pay for services or maintain their lifestyle. 2) Identified savings in repairs staffing and direct repairs and void budgets may have an unexpected detrimental impact on service levels or void turnaround times.
Action to be taken to address the disadvantage or negative impact	1) City Homes to monitor arrears that may relate to rent and service charge increases, and ensure remedial action and support is in place for those who need it. 2) Introduction of the new mobile working solution is anticipated to improve service levels and ongoing monitoring of performance against the Repairs Improvement Plan will ensure that any slippage in performance is detected early and addressed promptly.
Officer responsible for progressing the action	1) Robert Hollingsworth, Head of City Homes 2) Bob Hadfield, Head of Estates and Facilities
Date action to be completed by	1) April 2014 ongoing 2) April 2014 ongoing

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Director of Customer and Community Services
Relevant scrutiny committee: Community Services Scrutiny Committee 16/1/2013
Wards affected: All Wards

HOUSING GENERAL FUND GRANTS TO VOLUNTARY ORGANISATIONS 2014-16

Key Decision

1. Executive summary

This report reviews the grants that were awarded by Community Services Scrutiny Committee from the Housing General Fund for 2012-14 in the context of the corporate policy and makes recommendations to continue to grant fund the organisations during 2014/15 and 2015/16.

2. Recommendations

The Executive Councillor is recommended:

- 1) To agree, subject to the budget setting process and formal adoption by Council of the 2014/15 and 2015/16 budgets, the funding to the voluntary sector organisations as detailed in this report
- 2) To note, for information, the proposed Department for Communities and Local Government (DCLG) Homelessness Prevention Grant budget allocation for 2014-15

3. Background

- 3.1 Housing General Fund (HGF) grants for 2012/13 and 2013/14 were awarded by Community Services Scrutiny Committee as follows:

Grant Offered	Amount
Provision of independent specialist housing advice services through CAB.	£30,110
Supporting Women's Aid to provide an outreach service for Women and children fleeing domestic violence.	£42,130
Supporting Cambridge Re-use to provide furniture to those affected by poverty and disadvantage.	£7,860
Supporting Cyrenians to provide services to homeless people in need of support.	£11,400
The Learning & Development Service provided by Wintercomfort	£59,050
Total amount to cover shortfall in discretionary business rate relief for Cyrenians, CWA, Cambridge Re-Use and Wintercomfort.	£7490
Total	£158,040

3.2 The grants listed above benefited from a small inflationary uplift in 2013/14

3.3 The voluntary sector provides key services to homeless people, including services, which enable the Council to meet its statutory obligations. Housing grants enable the voluntary sector to provide services to vulnerable and disadvantaged groups and, through the provision of specialist housing and support services, improve service users' quality of life, help tackle social exclusion and prevent repeat homelessness.

3.4 The recipients of Housing General Fund grants also receive grant aid from other organisations both statutory and voluntary. All grant agreements contain a requirement that such awards are reported to the City Council

3.5 HGF grants are proposed for 2014-16 on two year grant agreements and there are no changes recommended to the list of grant recipients. Grants are subject to a 2% inflationary uplift on last year and are listed in the table below:

Grant Offered	Amount
Provision of independent specialist housing advice services through CAB.	£31,320
Supporting Women's Aid to provide an outreach service for Women and children fleeing domestic violence.	£43,830

Supporting Cambridge Re-use to provide furniture to those affected by poverty and disadvantage.	£8,180
Supporting Cyrenians to provide services to homeless people in need of support.	£11,860
The Learning & Development Service provided by Wintercomfort	£61,430
Total amount to cover shortfall in discretionary business rate relief for Cyrenians, CWA, Cambridge Re-Use and Wintercomfort.	£8,220
Total	£164,840

- 3.6 A priority policy fund (ppf) bid has been submitted as part of the 2014/15 budget process for funding to employ a tenancy support worker. The bid is requesting £35,000 in total of which 75% is to be drawn from the Housing Revenue Account (HRA) and 25% from the Council's Homelessness Prevention Grant from the Department for Communities and Local Government (DCLG). The bid is a response to a recommendation from the *Review of Street-Based Anti-Social Behaviour* report, which was approved at Strategy and Resources Committee in October 2013
<http://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=159&MId=1119&Ver=4>
- 3.7 Responsibility for allocating funds under the Homelessness Prevention Grant is under delegated authority to the Head of Strategic Housing until March 2015.
- 3.8 Members can see all proposed allocations under the DCLG Homelessness Prevention Grant at appendix 1.

4. Implications

(a) Financial Implications

The grants detailed above can be contained within existing budgets and represent a continuation of the awards policy of the previous two year period

(b) Staffing Implications

There are no new staffing implications

(c) Equal Opportunities Implications

These grants support disadvantaged and vulnerable groups. All agencies funded operate equal opportunity policies and work actively to promote equal opportunities awareness through the services they provide.

(d) Environmental Implications

+L - funding of furniture recycling by Cambridge Reuse helps to prevent landfill. There are no known adverse implications arising from the award of funding to any of the organisations contained within this report.

(e) Procurement

The arrangements for all funding recipients contained within the main body of this report are governed by grant agreements and are not deemed to be procurements subject to competitive tender. The street and mental outreach service detailed at appendix 1 is subject to competitive tender process and is jointly commissioned with the County Council.

(f) Consultation and communication

The Council runs a quarterly Homelessness Strategy Implementation Group. This meeting involves key delivery partners in the statutory and voluntary sector and members of the group have been asked for views on funding distributions as part of this process.

(g) Community Safety

Work by Wintercomfort, Cyrenians and other groups help to reduce rough sleeping and thus impacts on community safety (e.g. by reducing aggressive begging). Cambridge Women's Aid provides refuge and support for victims of domestic violence and makes a significant contribution to community safety in so doing.

5. Background papers

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

None

6. Appendices

Appendix 1 – DCLG Homelessness Prevention Grant allocations 2014/15

7. Inspection of papers

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

Author's Name: David Greening
Author's Phone Number: 01223 - 457997
Author's Email: david.greening@cambridge.gov.uk

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Cambridge City Council

Homelessness Prevention Grant - funding allocations for 2014/15

Recipient / Service	Amount (£)	Project description
Tackling rough sleeping and street-based anti-social behaviour		
CRI	175,000	Street and mental health outreach services
Riverside ECHG	28,280	Housing support and pre-tenancy work
To be determined	8,750	Housing support and pre-tenancy work
Jimmy's Cambridge	51,270	Assessment Centre – reconnections work
Cambridgeshire County Council	20,000	Funding to support the Chronically Excluded Adults Service
Cambridgeshire Police	30,550	Street-life police officer
Severe Weather Emergency Provision	10,000	Obligation to provide accommodation to rough sleepers in severe weather conditions
Homelessness prevention		
Centre 33	30,000	Youth homelessness prevention service
Internal – Revenues and Benefits	50,000	Funding to augment the Discretionary Housing Payments Fund
Riverside ECHG	4,000	Emergency bed space for 16-21 year olds
YMCA	4,000	Emergency bed space for 16-21 year olds
Internal – Housing Advice Service	35,780	Home visiting officer
CHS Group	8,500	Young parent project (Peter Maitland Court)
Enhanced housing options		
CHS Group	40,000	Specialist employment service
Wintercomfort	25,000	Learning and Development Service
Cambridge Cyrenians	750	Rent subsidy for service users to access work and training opportunities
Improving access to the private rented sector		
Internal – Housing Advice Service	35,780	Additional landlord liaison officer post
Housing Advice (General)		
Consultancy services	2,500	Consultancy for external inspections and best practice advice / Strategic research
Internal – Housing Advice Service	12,050	Supporting administrative Choice Based Lettings functions
Unallocated grant	13	
TOTAL	572,223	

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Sabrina Walston: Enabling & Development Officer
Relevant scrutiny committee: Community Services Scrutiny Committee 16/1/2014
Wards affected: All Wards

COUNCIL NEW BUILD – ESTATE MANAGEMENT STRATEGY Key Decision

1. Executive summary

This report outlines the options available to the Council to manage the estate on schemes where new build Affordable Housing (AH) is being delivered on Council land together with market housing. The report uses the developments at Latimer Close and the Quad development at Clay Farm as examples.

2. Recommendations

The Executive Councillor is recommended:

- To approve that in principle the Council's first choice will be to manage the entire estate on schemes where new Council Housing is being provided together with market housing on any sites the Council owns.
- To approve that delegated authority be given to the Director of Customer and Community Services following consultation with the Executive Councillor for Housing, Chair and Spokes to agree the estate management structure on individual schemes where new Council Housing is being provided together with market housing.

3. Background

The Council is beginning to take possession of the Affordable Housing on the mixed tenure, ie market and AH, schemes the Council is delivering in

partnership with developers. This has triggered the need for a decision as to how the estate on mixed tenure schemes should be managed.

Estate management in this sense is defined as the management of non-adopted external spaces and in some cases shared internal communal areas. For example there may be some external roads; footpaths; grassed and planted areas and there may be some internal shared access to flats, although this list is not exhaustive.

There are a variety of ways of delivering the estate management service to residents of these mixed tenure schemes, these options are;

- a. For the Council to manage the entire estate on each scheme irrespective of land ownership, ie for the market and the AH dwellings. In this case the Council would levy a service charge on market housing owners.
- b. To employ a management company to manage the entire scheme under a joint venture with the developer. In this case the developer would be required to retain a long term interest in the scheme.
- c. For the Council to manage the AH together with any adjacent estate whilst a management company manages the market housing dwellings.

Option b. would involve some additional cost in establishing and maintaining the joint management company and costs associated with procurement of services to maintain the estate.

It is recommended that the Council's preferred option should be option a. This allows for tenants to have one contact point for maintenance and management queries and allows the Council to retain control of the service. All management costs, including staff costs, will be re-charged to residents, therefore there will be no subsidy from the Council to deliver this service.

However, it is also recommended that delegated authority be given to the Director of Customer and Community Services to agree the way the service is delivered on a scheme by scheme basis as each site is likely to have its own idiosyncrasies.

As an example of how schemes may differ, the Latimer Close redevelopment is relatively straightforward. The market dwellings are houses that sit on their own easy to demark housing plots. There will be some non-adoptable roadway, footpaths and landscaped areas that serve both the AH and the market housing. For this scheme the Council implementing option a. is straightforward.

At the Quad development on Clay Farm, the design and layout of the scheme means that the estate management strategy is more complicated and indeed, is still the subject of discussion with the developer Hill Residential Limited (Hill). Here, as well as non-adoptable areas of estate that serve both the AH and the market housing, there are also some shared gardens within the Quads that are only shared by the residents of that Quad. There may also be one or two internal areas shared between AH residents and market housing residents. Developers often set a higher specification for planning and landscaping and also in the fitting out of internal spaces of developers in the knowledge that house buyers are prepared to pay a high service charge to maintain the areas. It is for these reasons that delegated authority to the Director of Customer and Community Services to agree the estate management approach on a scheme by scheme basis.

4. Implications

(a) Financial Implications

Any cost in managing estates will be passed on to residents.

(b) Staffing Implications

Existing staff currently account for similar estate charges and there is potential marginal additional staff workload. Any staff costs associated with the management of new estate can legitimately be passed on to residents as an on-cost in the service charge.

(c) Equal Opportunities Implications

An EQIA has been carried out for the Council new build programme as a whole.

(d) Environmental Implications

The Council new build programme is being delivered to high levels of environmental sustainability. This will include a number of new estate features such swales; purpose designed wet landscaped areas; and specification of indigenous species etc. The maintenance specification will therefore need to reflect these differences from traditional forms of landscaping.

(e) Procurement

If Option a. above is agreed, estate management services will be commissioned through the Council's Streets and Open Spaces team in the normal way.

(f) Consultation and communication

The available options have been discussed at Housing Management Team and the Resident Consultative Group and Steering Group for the Affordable Housing Development Programme.

(g) Community Safety

The schemes will all meet Secured by Design standards

5. Background papers

None

6. Appendices

None.

7. Inspection of papers

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

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Director of Customer & Community Services
Relevant scrutiny committee: Community Services Scrutiny Committee 16/1/2014
Wards affected: All Wards

SHARED OWNERSHIP REVIEW Key Decision

1. Executive summary

A review has been carried out of the Council's shared ownership service. This was to assess whether shared ownership should continue to be part of the Council's core business within the context of Housing Revenue Account (HRA) self-financing, and if so whether it should also be offered on the Council's new developments.

It is recommended that the service be continued, with some improvements, and that shared ownership be offered on new affordable housing developments to cross-subsidise the building of rented units and to help create balanced communities.

The findings of the review are shown at Appendix 1. An action plan is at Appendix 2.

2. Recommendations

The Executive Councillor is recommended:

2.1 That the Council continues to provide a shared ownership scheme.

2.2 That officers are granted delegated authority to develop a business case for each property which comes up for resale, and to assess – according to a set of agreed criteria - whether to:

2.2.1 Buy back and sell a share to another applicant, or

2.2.2 Buy back to use as rented stock, or

2.2.3 Buy back and sell the whole property on the open market, or

2.2.4 Advise the seller to sell their share on the open market.

2.3 That the criteria to take into account in the decision on what to do with an individual property under paragraph 2.2 above should be as follows:

2.3.1 The costs to the Council of each of the options, the funding available, and the potential impact on the Business Plan;

2.3.2 Whether there is an identified alternative need for that property to be used for rent which should take priority over re-selling as shared ownership. Eg: a property which is disabled adapted or particularly suitable to be adapted to meet the needs of an identified housing applicant; one which would suit the needs of a leaseholder needing to move as part of the Council's Affordable Housing development programme; etc.

2.3.3 Rental and shared ownership demand for that particular type or size of property;

2.3.4 The condition of the property;

2.3.5 Whether the property is in a specific location that could free up land or access to land, or otherwise facilitate affordable housing development;

2.3.6 The anticipated capital receipt (subject to pooling requirements);

2.3.7 Housing market conditions at the time, including mortgage availability;

2.3.8 Any planning restrictions which may apply (eg s106 restrictions around disposal on the open market);

2.3.9 Any other factors which need to be taken into account to ensure that the best use is made of the property, and where value for money can be clearly demonstrated.

2.4 That shared ownership homes are provided on the Council's new developments where appropriate – eg at Clay Farm and on other new Affordable Housing Development Programme sites - to cross-subsidise rental build and help create balanced communities, in line with the

requirements of the Council's Local Plan and Affordable Housing Supplementary Planning Document.

- 2.5 That the current policy which seeks to ensure that housing is made available at a price which could be afforded by a household with '1 average earner (for 1 bedroom accommodation) or 1.5 average earners for larger properties, using standard income multiples be removed.
- 2.6 That the policy at paragraph 2.5 above be replaced with one which states that the Council seeks to ensure that an alternative form of housing is available as an option to those who would not normally be eligible for social housing, but who are unable to afford to purchase on the open market.
- 2.7 That new eligibility criteria are introduced for applying for shared ownership housing as follows:
 - 2.7.1 Applicants must have a gross household income of up to £60,000 (subject to any future change in the national income requirement for intermediate tenure housing);
 - 2.7.2 Applicants must be first time buyers, other than in exceptional circumstances. Exceptional circumstances may include: in relationship breakdown where children are involved; where an owner-occupier needs significant disabled adaptations which cannot be provided in their own home and they cannot afford to purchase a more suitable home; or existing shared owners who have medical needs which require them to move to a more suitable property.
- 2.8 That new criteria be introduced to decide the priority between more than one applicant for a particular property. Criteria should be ranked in the following order:
 - 2.8.1 Applicants who have the resources to go ahead with a purchase;
 - 2.8.2 Applicants who live or work within the City;
 - 2.8.3 Level of need, assessed in line with the Council's Lettings policy in place at the time;
 - 2.8.4 Date of registration on the Help to Buy register.

- 2.9 That applicants should not be able to purchase if they owe any housing-related debt to the Council where reasonable steps have not been taken to repay it.
- 2.10 That applicants should not be able to purchase if they have a history of unacceptable behaviour which would make them ineligible to be accepted onto the Home-Link register.
- 2.11 That staircasing be promoted where it makes business sense to do so (subject to pooling requirements).
- 2.12 That if buying a property back to sell it on, consideration is given to restarting the lease at 99/125 years if not doing so may make it difficult for the purchaser to re-mortgage at a later date.
- 2.13 To agree the option of using individual HRA rented properties for shared ownership in appropriate circumstances.
- 2.14 That if a rented property is converted to shared ownership, an appropriate alternative shared ownership property is converted to rent as soon as is reasonably practicable, to ensure that the number of rented properties is not reduced as a result.
- 2.15 That leases are reviewed for new leaseholders in conjunction with drafting of leases for newly developed shared ownership properties.
- 2.16 That the marketing of shared ownership properties be improved.
- 2.17 That information provided to leaseholders about their and the Council's rights and responsibilities be improved.
- 2.18 That equity share is not pursued at this stage, as an alternative option to shared ownership (as capital outlay is high, and returns are much longer term and rely on values continuing to rise), other than for leaseholders on redevelopment sites.
- 2.19 That the revised scheme be reviewed in around three years' time to establish the impact of changes, and assess whether further changes are required in light of any further development in national thinking.

3. Background

3.1 The Council currently has around 85 properties occupied on a shared ownership basis (mostly one and two bedroom houses, but a few flats and a handful of three bedroom houses).

3.2 One of the actions under the Housing Revenue Account Improvement Plan was to review the service to assess whether the Council should continue to provide it in the context of self-financing of the Housing Revenue Account, and if so whether shared ownership should be provided on any of the Council's new affordable housing developments.

3.3 Appendix 1 to this report gives details of the findings of the review, and the recommendations arising from it.

3.4 Appendix 2 is an action plan for implementing the proposed changes.

3.5 A report is also being presented to Housing Management Board for information within this Scrutiny cycle.

3.6 A separate report which includes proposals around provision of shared ownership on land at Clay Farm (the Quad development) is being submitted to the Executive Councillor and Community Services Scrutiny in this cycle.

4. Implications

(a) Financial Implications

Revenue Costs

Revenue costs of developing and assessing the business case on each property, improved marketing, improved information to leaseholders, balancing of the shared ownership portfolio etc will be delivered using existing resources.

Revenue costs for new shared ownership homes will be factored into the financial modelling.

Capital Costs

Additional capital would be required to enable properties to be bought back and retained as rental stock, and for any work required to bring them up to the Decent Homes standard.

A capital allocation of £200,000 per year has been incorporated for this purpose as part of the HRA budget setting report for 2014/15 onwards. It is proposed that this is combined with the budget for repurchasing properties under the Right of First Refusal, to allow for flexibility in expenditure. This

should allow for up to two repurchases per year over the next five years – depending on property valuation and size of share being repurchased. This will be reviewed in three years' time when the new arrangements are reviewed.

Government grant will be sought to support the cost of developing new shared ownership homes.

(b) Staffing Implications

There are no immediate staffing implications. However, the need to market newly developed properties may require more staff resource. This would be taken into account in assessing the viability of any new scheme.

(c) Equal Opportunities Implications

An Equality Impact Assessment is being carried out, and draft actions have been incorporated into the Action Plan at Appendix 2 to this report.

(d) Environmental Implications

Climate change rating = +L

Any property repurchased by the Council with the intention of using it as rented housing may need work to bring it up to the Decent Homes standard, which could include installation of a more energy efficient boiler.

(e) Procurement

Procurement of new shared ownership homes will be through the Council's Affordable Housing Development Programme procurement arrangements.

(f) Consultation and communication

Consultation has been carried out as follows:

- A postal and on-line survey of shared ownership leaseholders, to assess the profile of residents and ask for their views on the current scheme.
- An on-line survey of Home-Link applicants who had expressed an interest in shared ownership housing to understand whether they were still interested, and if not why not.

All respondents who included their contact details will be sent results of the survey and advised how the survey has been used to inform the outcome of the review.

Subject to the recommendations being accepted, an article will be published on the Council's website, and recommended for inclusion in Cambridge Matters, showing the outcome of the review and promoting the Council's shared ownership scheme as a housing option.

(g) **Community Safety**

There are no community safety implications.

5. Background papers

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

- Equality Impact Assessment – Draft
- Cambridge Centre for Housing & Planning Research – Understanding the second-hand market for shared ownership properties, May 2012
<http://www.cchpr.landecon.cam.ac.uk/Downloads/Shared%20ownership%20second%20hand%20market%20-%20proofed%20final%20for%20publication.pdf>
- National Housing Federation & Moat – The role of shared ownership in the future housing market , April 2010 http://www.shared-owner.co.uk/_media/static/The_role_of_shared_ownership_in_the_future_housing_market_-_discussion_paper_summary.pdf
- Shelter – Homes for forgotten families, August 2012
http://england.shelter.org.uk/__data/assets/pdf_file/0014/702023/Shelter_-_Homes_for_forgotten_families.pdf
- Resolution Foundation – One Foot on the Ladder, November 2013
http://www.resolutionfoundation.org/media/media/downloads/One_foot_on_the_ladder.pdf

6. Appendices

Appendix 1: Shared Ownership Review 2013 – Final Report

Appendix 2: Action Plan

7. Inspection of papers

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

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Shared Ownership Review 2013 Final Report

1.0 PURPOSE OF THE REPORT

To outline the findings of a review of the Council's shared ownership scheme and make recommendations as to the way forward.

2.0 SUMMARY & RECOMMENDATIONS

2.1 Summary

2.1.1 Whilst there are issues with the Council's existing shared ownership scheme, it continues to offer value for money to both the Council and its shared ownership leaseholders. It helps to ensure that a range of housing options are available, particularly supporting the growing number of people who are unable to access social housing but cannot afford to purchase on the open market.

2.1.2 The Council's Affordable Housing Development Programme offers opportunities to increase access to intermediate tenure housing, and to help to ensure mixed and balanced communities.

2.1.3 The current scheme should continue – with some changes as outlined below, and should be extended to properties on new Council developments.

2.2 Recommendations

2.2.1 That the Council continues to provide a shared ownership scheme.

2.2.2 That officers are granted delegated authority to develop a business case for each property which comes up for resale, and to assess – according to a set of agreed criteria - whether to:

- Buy back and sell a share to another applicant, or
- Buy back to use as rented stock, or
- Buy back and sell the whole property on the open market, or
- Advise the seller to sell their share on the open market.

2.2.3 That the criteria to take into account in the decision on what to do with an individual property under paragraph 2.2 above should be as follows:

- The costs to the Council of each of the options, the funding available, and the potential impact on the Business Plan;
- Whether there is an identified alternative need for that property to be used for rent which should take priority over re-selling as shared ownership. Eg: a property which is disabled adapted or particularly suitable to be adapted to meet the needs of an identified housing applicant; one which would suit the needs of a leaseholder needing to move as part of the Council's Affordable Housing development programme; etc.
- Rental and shared ownership demand for that particular type or size of property;
- The condition of the property;
- Whether the property is in a specific location that could free up land or access to land, or otherwise facilitate affordable housing development;
- The anticipated capital receipt (subject to pooling requirements);
- Housing market conditions at the time, including mortgage availability;
- Any planning restrictions which may apply (eg s106 restrictions around disposal on the open market);
- Any other factors which need to be taken into account to ensure that the best use is made of the property, and where value for money can be clearly demonstrated.

2.2.4 That shared ownership homes are provided on the Council's new developments where appropriate – eg at Clay Farm and on other new Affordable Housing Development Programme sites - to cross-subsidise rental build and help create balanced communities, in

line with the requirements of the Council's Local Plan and Affordable Housing Supplementary Planning Document.

2.2.5 That the current policy which seeks to ensure that housing is made available at a price which could be afforded by a household with '1 average earner (for 1 bedroom accommodation) or 1.5 average earners for larger properties, using standard income multiples be removed.

2.2.6 That the policy at paragraph 2.2.5 above be replaced with one which states that the Council seeks to ensure that an alternative form of housing is available as an option to those who would not normally be eligible for social housing, but who are unable to afford to purchase on the open market.

2.2.7 That new eligibility criteria are introduced for applying for shared ownership housing as follows:

- Applicants must have a gross household income of up to £60,000 (subject to any future change in the national income requirement for intermediate tenure housing);
- Applicants must be first time buyers, other than in exceptional circumstances. Exceptional circumstances may include: in relationship breakdown where children are involved; where an owner-occupier needs significant disabled adaptations which cannot be provided in their own home and they cannot afford to purchase a more suitable home; or existing shared owners who have medical needs which require them to move to a more suitable property.

2.2.8 That new criteria be introduced to decide the priority between more than one applicant for a particular property. Criteria should be ranked in the following order:

- Applicants who have the resources to go ahead with a purchase;
- Applicants who live or work within the City;
- Level of need, assessed in line with the Council's Lettings policy in place at the time;

- Date of registration on the Help to Buy register.
- 2.2.9 That applicants should not be able to purchase if they owe any housing-related debt to the Council where reasonable steps have not been taken to repay it.
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- 2.2.11 That staircasing be promoted where it makes business sense to do so (subject to pooling requirements).
- 2.2.12 That if buying a property back to sell it on, consideration is given to restarting the lease at 99/125 years if not doing so may make it difficult for the purchaser to re-mortgage at a later date.
- 2.2.13 To agree the option of using individual HRA rented properties for shared ownership in appropriate circumstances.
- 2.2.14 That if a rented property is converted to shared ownership, an appropriate alternative shared ownership property is converted to rent as soon as is reasonably practicable, to ensure that the number of rented properties is not reduced as a result.
- 2.2.15 That leases are reviewed for new leaseholders in conjunction with drafting of leases for newly developed shared ownership properties
- 2.2.16 That the marketing of shared ownership properties be improved
- 2.2.17 That information provided to leaseholders about their and the Council's rights and responsibilities be improved.
- 2.2.18 That equity share is not pursued at this stage, as an alternative option to shared ownership (as capital outlay is high,

and returns are much longer term and rely on values continuing to rise), other than for leaseholders on redevelopment sites.

2.2.19 That the revised scheme be reviewed in around three years' time to establish the impact of changes, and assess whether further changes are required in light of any further development in national thinking.

3.0 INTRODUCTION

3.1 The Council is a direct provider of shared ownership housing. A review has been carried out of the Council's scheme in the context of Housing Revenue Account (HRA) self-financing, to assess whether continuing to provide this form of intermediate tenure housing should remain part of the Council's core business.

3.2 The review took place during 2013, and included assessments of the following:

- How the service fits strategically with the Council's objectives;
- The national and local market for shared ownership housing, and mortgage availability;
- The current stock;
- Current shared ownership policy;
- Sales and staircasing activity;
- The profile of Help to Buy¹ and Home-Link applicants;
- Discussions with other Housing Association and Local Authority providers;
- A survey of shared owners. This achieved around a 33% response rate, with respondents being generally positive about the scheme;
- A survey of applicants who had expressed an interest in shared ownership through Home-Link. The response to this was much lower, but the few received indicated that Home-Link applicants need to know more about shared ownership and how to apply for it;
- Financial issues affecting the existing stock;

¹ The Help to Buy register (formerly known as Homebuy) provides a one-stop-shop for applying for intermediate housing, including shared ownership. The Help to Buy Agent for this area is currently Orbit. <http://orbithelptobuy.co.uk/main.cfm>

- Financial modelling and assessment of affordability in relation to the potential provision of new shared ownership through the Council's Affordable Housing Development Programme.

3.3 The need for a review was highlighted in the Council's Housing Strategy, and is an action in the HRA improvement plan.

4.0 THE MARKET FOR SHARED OWNERSHIP

4.1 The local market for shared ownership appears to be strong. It was affected by the economic downturn and shortage of mortgage finance, but Housing Associations operating locally report high demand in Cambridge compared to many other areas, both for new and resale properties. For example, some new properties on the southern fringe are reported to be selling off-plan.

4.2 At April 2012, of the 1,095 Homebuy (now Help to Buy) register applicants for intermediate tenures living or working in the sub-region, 34% were living in the City and 39% worked in the City. 70 sales were recorded in the City in the three years 2009/10 to 2011/12.

4.3 National research² and data from the Cambridge sub-Regional Strategic Housing Market Assessment (SHMA)³ shows that there is a strong market for shared ownership resales. Around 40% of sales of shared ownership properties sold through the Help to Buy Agent in Cambridge between 2009/10 and 2011/12 were resales.

4.4 Recent reports from the National Housing Federation (NHF)⁴ and Shelter⁵ recognised the importance of shared ownership as a housing option, and that the importance is likely to grow.

² CCHPR – Understanding the second-hand market for shared ownership properties, May 2012: <http://www.cchpr.landecon.cam.ac.uk/Downloads/Shared%20ownership%20second%20hand%20market%20-%20proofed%20final%20for%20publication.pdf>

³ Cambridge sub-regional SHMA: <http://www.cambridgeshireinsight.org.uk/housing/shma>

⁴ NHF & Moat – The role of shared ownership in the future housing market, 2010: http://www.shared-owner.co.uk/_media/static/The_role_of_shared_ownership_in_the_fuure_housing_market_-_discussion_paper_summary.pdf

4.5 Only a limited number of mortgage lenders will lend on shared ownership properties. (NHF reports that there are around twenty national and local lenders willing to lend). However, responses to our survey show that whilst around one third reported difficulties finding a lender, only one said that they had been unable to secure a mortgage at a competitive rate.

5.0 THE COUNCIL'S SHARED OWNERSHIP SCHEME

5.1 Background

5.1.1 Shared ownership is a form of intermediate affordable housing tenure.

5.1.2 The Council currently has 85 properties which it leases on a shared ownership basis. The leaseholder buys a share of the property (usually 50%), and the Council retains the remaining share. The leaseholder pays rent on the Council's share.

5.1.3 Leaseholders have the option to 'staircase' upwards – ie to purchase further shares. They can potentially staircase out completely, by purchasing all remaining shares and becoming the outright owner.

5.2 Strategic Fit

5.2.1. The service helps to meet the Council's vision of Cambridge as a city which recognises and meets the need for housing of all kinds.

5.2.2 Consultation on the Council's Housing Strategy highlighted that there is a growing group of people who would not have any priority for social housing, but who are also unable to afford to purchase on the open market. Shared ownership provides an alternative housing option for some people in this group.

⁵ Shelter – Homes for forgotten families, August 2012:
http://england.shelter.org.uk/__data/assets/pdf_file/0014/702023/Shelter_-_Homes_for_forgotten_families.pdf

5.3 Who the Scheme is Aimed At

5.3.1 The Council's current policy is to seek to ensure that housing is made available at a price which could be afforded by a household with '1 average earner (for 1 bedroom accommodation) or 1.5 average earners for larger properties, using standard income multiples'. This is quite complex, and is not particularly clear. It was agreed when property prices were lower, and more people were able to access market housing. It is also difficult to implement where property prices are increasing, and in the context of managing a self-financing HRA. It is recommended that this policy is removed.

5.3.2 In the current climate the Council should seek to ensure that an alternative form of settled housing is available as an option to those who would not normally be eligible for social housing, but who are unable to afford to purchase on the open market

5.4 Property Profile

5.4.1 Of the Council's 85 properties most were purpose-built within the five-year period 1987 to 1992.

5.4.2 Just over half are one bedroom houses and flats, and around a third are two bed houses. Seven are three-bedroom houses. Some of the one bedroom properties are quite small – data suggests that around a quarter of properties may be under 47m², which is below the minimum standard required for grant.

5.4.3 Properties were originally leased on 99 or 125 year leases. More than half the properties now have less than 75 years remaining on the lease. Shorter lease lengths affect the value of the property and the willingness of mortgage lenders to lend where a leaseholder wishes to remortgage. There is no provision in the current leases for leaseholders to extend the length of their leases.

5.5 Property Condition

5.5.1 Leaseholders are responsible for repairs. The condition of each property is not known by the Council until or unless the leaseholder wishes to surrender the lease and the Council decides to repurchase,

when an inspection is carried out. Conditions of inspected properties can vary.

5.5.2 Although leaseholders may potentially be deterred from carrying out improvements for which they won't recoup the full value on resale, just under half of respondents to our survey said that they had carried out improvements since they moved in, including replacement kitchens, bathrooms and new doors or windows. Most said their property was in good or average condition when they moved in. However, as some of those respondents have been leaseholders for a long time it is not clear what the current condition is of the stock overall.

5.6 Shares Owned, and Staircasing

5.6.1 Nearly three-quarters of existing leaseholders own shares of between 50% & 60%. Five own less than 50% (the lowest share being 35%) and another five own over 80%.

5.6.2 Leaseholders have the option to 'staircase' upwards – ie buy further shares, or to purchase 100% of the property and become the full owner.

5.6.3 Just over a third of the Council's original shared ownership stock has been purchased outright. Since 2005/6, fifteen leaseholders have staircased out completely, but only one has purchased a larger share without staircasing out.

5.6.4 Whilst in the early days of shared ownership it was expected that most people would want to eventually staircase out, national research shows that this often doesn't happen, and that for many shared ownership has become a long-term tenure option.⁶ In our leaseholder survey, the main reasons given for not purchasing more shares was the cost of doing so, and half of all respondents said they were happy with their current share.

5.6.5 Costs to the leaseholder include that of getting a valuation as well as capital and/or remortgaging costs. There may also be difficulties in re-mortgaging if the length of lease is less than 69 years (although the

⁶ Shelter – Homes for forgotten families, August 2012:
http://england.shelter.org.uk/_data/assets/pdf_file/0014/702023/Shelter_-_Homes_for_forgotten_families.pdf

Council does now enter into a 'section 442 agreement' with the leaseholder and lender, which gives lenders some protection)⁷.

5.6.6 Consideration needs to be given to reverting older leases back to 99 or 125 years at the point of resale where appropriate. Whilst this may increase the cost of individual properties, it may help with staircasing in the longer term.

5.6.7 Staircasing can benefit the Council where receipts can be retained and be reused. It can also benefit leaseholders; around half of respondents to our survey said they were considering or planning a move, but cost was cited as a barrier. Using financial capacity created by reduced mortgage costs over time to staircase upwards could help some people to afford to move on at a later date.

5.6.8 At the same time it needs to be recognised that staircasing will not be accessible to everyone, as it relies on incomes keeping pace with rises in valuations, or on access to capital.

5.6.9 We need to ensure that residents have enough information about staircasing to enable them to make informed choices within the resources available to them.

5.7 Resales

5.7.1 When a leaseholder wants to dispose of their share of the property, the current policy is for the Council either to repurchase it to sell on as shared ownership – normally at a 50% share - or to instruct the leaseholder to sell their share on the open market.

5.7.2 There are advantages and disadvantages with both approaches. The Council repurchasing the property incurs a number of costs. (See paragraph 7.0 below) However, it does enable some control over who the property is sold to, ensuring that - as far as possible depending on demand - purchasers meet the Council's eligibility criteria. Although the cost to the Council of an open market sale is lower, properties may go to those who can already afford to purchase on the open market. Such sales may not make best use of existing homes – one of our strategic housing objectives.

⁷ S442, Housing Act 1985

5.7.3 The speed at which properties can be sold on where they have been repurchased by the Council varies enormously. The average void time over the past ten years is around twenty-eight weeks, with individual property void times ranging from eight to eighty-eight weeks.

Potential reasons include:

- Older properties competing with newer Housing Association properties which may be offered with additional extras such as carpets, white goods etc;
- One-bedroom properties – shared ownership purchasers generally prefer to purchase one more bedroom than they need, although general sales for one-bed shared ownership properties in Cambridge are currently strong.
- Size – some of the Council’s one-bedroom houses may be considered too small by couples wishing to purchase
- Location of properties
- Length of lease remaining
- The state of the market at the time
- The form and extent of marketing used
- Purchasers maybe preferring to purchase from a Housing Association rather than the Council
- Etc

5.7.4 However, there does not appear to be any particular pattern to void times based on these factors, except that properties tended to sell more quickly between 2006 and 2008 (just prior to the start of the economic downturn). Three bedroom properties have taken longer, but data is only based on two sales so may not be an accurate reflection.

5.7.5 The average void rent loss over the last 10 years (based on 2013-14 rent levels and the shares owned by each seller) is around £960 per property. From April 2013 the HRA is liable for Council Tax on properties void for more than a month. If this liability had existed since 2003, the average payable would have been just over £400 per void.

5.7.6 Whilst important to keep the void costs to a minimum, these levels of cost are not enough to make the scheme unviable when taking into account rents received and capital appreciation over time.

5.8 Leases

5.8.1 The current form of lease has been in place for some time, and needs some updating to make it more user-friendly. We also need to consider allowing leaseholders to apply to extend the length of their lease. It would be impractical to renew them for all leaseholders, but improvements should be made for new purchasers. These should be reviewed in conjunction with the development of leases for properties on new developments.

5.9 Applying for Shared Ownership

5.9.1 Historically the Council maintained a register of shared ownership applicants, made up of housing register applicants who were interested in shared ownership.

5.9.2 The Council no longer keeps a register as it was becoming increasingly difficult to find applicants on the list who wanted or were able to purchase properties as they became available. Properties are now advertised through the local Help to Buy Agent – currently Orbit.

5.9.3 Home-Link Applicants who express an interest in shared ownership are sent, as part of a package of information based on their needs, a link to the Council's website which gives information on how to apply. None of the respondents to our Home-Link survey who were still interested in shared ownership had registered with the Help to Buy Agent, and some said they did not know they had to or how to go about it. We need to review the information provided to applicants to ensure that they can make an informed choice about shared ownership as an option, and know how to apply.

5.10 Applicant Eligibility and Priority

5.10.1 Currently applicants must live or work within the City, and must be first time buyers (except in exceptional circumstances in relationship breakdown where children are involved and equity is available).

5.10.2 Now that the Council no longer maintains its own list, and no longer operates a points-based lettings scheme, eligibility needs to be re-considered.

5.10.3 Applicants for grant funded intermediate housing advertised through the Help to Buy Agent need to have a household income of £60,000 or less. Providers can also stipulate further requirements. It is recommended that the £60,000 household income limit be used for the Council's scheme, in line with national requirements.

5.10.4 Applicants should continue to be first time buyers except in exceptional circumstances. The exceptional circumstances should be extended to include:

- Relationship breakdown where children are involved and equity is available;
- Where an owner-occupier needs significant disabled adaptations which cannot be provided in their own home and they cannot afford to purchase a more suitable home on the open market;
- Existing shared owners who have medical needs which require them to move to a more suitable property.

5.10.5 Historically, where more than one applicant was interested in a particular property, a priority list of applicants was drawn up according to highest number of points held, household size, and length of time on the register. The Leasehold Manager made the decision as to who should be offered the property based on this information.

5.10.6 A clearer framework is required for assessing who should have priority if there is more than one applicant interested in a property.

5.10.7 Having a local connection through living or working in the City should not be an outright requirement, as this could restrict the number of applicants and take longer to sell properties on, but should be used to help prioritise one or more applicants for the same property.

5.10.8 Whilst most shared ownership applicants are likely to be eligible for C, D or D* priority banding for social housing through Home-Link, it would maintain some consistency to refer to the Council's Lettings policy when prioritising applicants for the sale of a shared ownership property, taking into account their level of need followed by their date of registration on the Help to Buy register.

5.10.9 Applicants for each property should be ranked in the following order:

- Applicants who have the resources to go ahead with a purchase;
- Applicants who live or work within the City;
- Their level of need, assessed in line with the Council's Lettings policy;
- Their date of registration on the Help to Buy register.

5.10.10 Where priority cannot be assigned using these criteria, the Leasehold Manager should have the final say.

5.10.11 As with Home-Link applicants, shared ownership applicants should not be able to purchase if they owe any housing-related debt to the Council where reasonable steps have not been made to repay it. Neither should those with a history of unacceptable behaviour which would make them ineligible to be accepted onto the Home-Link register.

5.11 Profile of applicants

5.11.1 Since Home-Link was introduced, applicants have been asked at point of application whether they would be interested in shared ownership as an option. 208 applicants had expressed an interest at July 2013, although some of those would not have had much information about what shared ownership involved so is not a truly reliable indicator.

5.11.2 Just over one third of of City resident Help to Buy (HTB) register applicants are one-person households, with a similar proportion being two-person households. Only 13% are households of four or more. The majority of HTB applicants are currently privately renting or living with family or friends.

5.11.3 Gross average income of City households applying through HTB is just under £30k, (around £7k less than the average for all households). This is well within the £60,000 limit required nationally for applicants for HTB products.

5.11.4 Savings levels vary amongst HTB applicants, although around half of those resident in the City are recorded as having no savings or less than £5,000. Around one third have savings of £10,000 or more.

5.11.5 Households applying for social housing through Home-Link tend to be on lower incomes. For example, 94% of Home-Link applicants expressing an interest earn less than £30k, compared to 56% of HTB

applicants. Home-Link applicants also tend to have less in savings – 95% of those interested in shared ownership said they had savings of £0-£10,000.

5.11.6 Just under half of respondents to our survey of Home-Link applicants who had expressed an interest in shared ownership said they were still considering shared ownership as an option. Reasons for not considering it included difficulty in getting a mortgage, and cost.

5.11.7 This suggests that Home-Link applicants do not form the main market for shared ownership properties. Indeed in 2010 only 8% of HTB applicants resident in Cambridge said that they were also on the local housing needs register.

5.12 Marketing of Properties

5.12.1 The Council's properties are competing with newer properties provided by other Registered Providers, many of which are offering incentives such as carpets and white goods to purchasers.

5.12.2 Other providers also employ a range of marketing techniques to target purchasers, and the Council needs to review how properties are marketed to ensure that they can be sold on as swiftly as possible to those in the greatest need.

5.12.3 Officers from other local authorities providing shared ownership housing report that marketing is often under-resourced and they find it difficult to compete with other providers.

6.0 CURRENT COSTS AND INCOME

6.1 Revenue Expenditure

6.1.1 Revenue expenditure on the current service is made up of the following:

- Administration of the service, including that arising from sales, repurchases and staircasing;
- Marketing;
- Legal costs around repurchases and sales;

- Estate management costs;
- Void rent loss and Council Tax liability where properties are repurchased;
- Overheads;
- Stamp duty on repurchases of higher value properties or those where the leaseholder is selling back a larger share.

6.1.2 It is difficult to separate out the revenue costs of the service completely accurately as costs for the service are not recorded separately. Costs also vary considerably from year to year depending on sales and staircasing activity, amount of management activity required, etc

6.2 Capital cost

6.2.1 There is currently £300k allocated in the housing capital programme as a recyclable fund for repurchasing properties and selling them on.

6.3 Revenue Income

6.3.1 The main income streams are:

- Rental income based on the share owned by the leaseholder (discounted to reflect the leaseholder's responsibility for repairs and improvements).
- Legal fees
- Service charges (on flats)

6.3.2 Rental income is more than sufficient to cover the costs of managing the shared ownership service, and there is no subsidy from rents on general needs housing. Because of this, and from the positive overall response from our leaseholder survey, the service is considered to represent good value for money for the Council.

6.4 Use of Capital Receipts

6.4.1 Government guidance on how capital receipts from shared ownership sales can be used is not entirely clear. Based on current interpretation the Council is presently working on the assumption that:

- Any receipt for more than a 50% share of a dwelling is subject to HRA pooling for the first ten combined Right to Buy and Shared Ownership sales in each financial year. ie 75% of the receipt from those sales is required to be pooled. The unpooled balance is split between the allowable debt and the one-for-one retained receipt.
- If a receipt is in relation to staircasing and takes the proportion of the dwelling sold to the leaseholder to more 50% within two years of the date of the original share sale, then similar pooling requirements apply.
- Any receipts for less than 50% of a dwelling, and receipts from any further sales over and above the ten allowed in each financial year can be retained by the Council and re-invested in new affordable housing.

6.4.2 We are seeking updated clarification on this. How receipts can be treated – and any change in the advice given - will need to be taken into account in the business decision made on each available property.

7.0 COST AND VALUE TO LEASEHOLDERS

7.1 Cost to leaseholders

7.1.1 The costs incurred by leaseholders include:

- Purchase cost and any mortgage interest;
- Rent and any service charges;
- Valuation costs and legal fees around purchase, staircasing, lease surrender etc;
- Resale costs if selling on the open market;
- Cost of maintenance and any home improvements.

7.2 Value to leaseholders

7.2.1 Our survey asked leaseholders whether they considered their property had been good value for money. Only two said that it had not. A number of positive comments were made about the scheme being beneficial.

7.2.2 However, there were some additional concerns raised in the survey. These included:

- Dissatisfaction that leaseholders are responsible for repairs and improvements;
- More information should be provided to leaseholders about the scheme;
- One expressed concern about shared ownership properties being bought and let out (although it is not clear whether this refers to properties which have been purchased outright);
- Wanting to be able to move when older and no longer able to manage stairs.

8.0 PROPOSALS GOING FORWARD

8.1 Business decision on each property becoming available

8.1.1 As properties become available the Council will generally repurchase them and sell them on on a shared ownership basis, or instruct the leaseholder to sell on the open market, based on officer judgment.

8.1.2 As mentioned previously, selling on the open market may not be making the best use of that property. A business case should be drawn up for each property which becomes available, to decide the best course of action, depending on the circumstances which exist at the time.

8.1.3 The options available should be to:

- Buy the property back and sell to another applicant;
- Buy the property back to use as rented stock;
- Buy the property back and sell the whole property on the open market;
- Advise the seller to sell their share on the open market.

8.1.4 Criteria to be taken into account should include:

- The costs to the Council of each of the options, the funding available, and the potential impact on the Business Plan;
- Whether there is an identified alternative need for that property which should take priority over re-selling as shared ownership. Eg:

a property which is disabled adapted or particularly suitable to be adapted to meet the needs of an identified housing applicant; one which would suit the needs of a leaseholder needing to move as part of the Council's Affordable Housing development programme; etc;

- Rental and shared ownership demand for particular types or sizes of property;
- The condition of the property;
- A property in a specific location that could free up land or access to land, or otherwise facilitate affordable housing development;
- The anticipated capital receipt, subject to pooling requirements;
- Housing market conditions at the time, including mortgage availability;
- Any planning restrictions which may apply (eg s106 restrictions around disposal on the open market);
- Any other factors which need to be taken into account to ensure that the best use is made of the property and where value for money can be clearly demonstrated.

8.1.5 These proposed criteria are aligned, where appropriate, with those in the Council's HRA Acquisition and Disposal policy.

8.2 Using existing rented properties as shared ownership

8.2.1 The Council should allow existing HRA rented properties to be used in some circumstances to enable more flexibility within both the shared ownership and rented stock.

8.2.2 There is significant demand for social housing for rent, with 4,242 applicants on the Council's housing register (Home-Link) at September 2013. Therefore use of rental stock as shared ownership should not lead directly to a reduction in the number of rented properties. However, there are a number of examples where use of existing stock could be beneficial:

- For disabled applicants or existing shared owners needing to move who need adaptations, but for whom no suitable alternative properties are available;
- For leaseholders needing to move for redevelopment through the Council's Affordable Housing Development Programme, who are unable to purchase on the open market;

- For older shared owners who are unable to access market housing but who need to move because their property is no longer suitable for their needs;
- Where the profile of the stock in an area needs to be rebalanced – eg to improve community sustainability or where there is a need for properties of a particular size or type;
- Etc.

8.2.3 This option is not likely to be used very often, but should be available as circumstances require.

8.2.4 Where a rented property is to be used as a shared ownership property, arrangements should be made for an appropriate replacement rental property to be provided from the shared ownership stock as soon as is reasonably practicable, so that the rented stock is not reduced as a direct result of this policy.

8.3 Shared Ownership for New Properties

8.3.1 The Council has a programme of new and re-development of affordable homes on HRA land. Government grant has been secured for 146 properties to rent, and there will be an opportunity to bid for further grant in the 2015-18 bid round.

8.3.2 As well as development on smaller sites, there are plans for around one hundred new properties on housing-owned land at Clay Farm.

8.3.3 Modelling has been done on providing shared ownership at Clay Farm, based on a number of scenarios looking at different balances between rented and shared ownership properties, and different percentage shares sold.

8.3.4 Providing a percentage of shared ownership properties would help to subsidise the development of properties for rent, and should lead to a decrease in the time taken to repay the debt. It would meet the requirements of the Council's Affordable Housing SPD which requires a percentage of homes on new developments to be provided as intermediate tenure, and would play an important role in ensuring a mixed and sustainable community.

8.3.5 This does raise some issues in relation to affordability. As new properties these will inevitably be more expensive than most of our existing shared ownership stock. At current valuations and rent levels, smaller properties are expected to be affordable to those on average incomes (using one third of annual earnings being spent on household costs as a measure) provided purchasers are able to pay a reasonable deposit. However, larger properties are more likely to be only accessible to those on above average incomes but who are still unable to purchase on the open market. Future rises in interest rates will also influence who is able to afford shared ownership properties. Provision within new developments needs to be considered as part of a package which also includes ongoing provision of smaller and cheaper existing properties, to provide options to as wide a range of applicants as possible.

8.3.6 The details would need to continue to be developed as part of the planning for new development.

8.3.7 The Council should also consider providing some shared ownership properties in other new developments in certain circumstances where required to make the finances stack up and ensure mixed communities. These decisions will need to be made on a site by site basis, and subject to negotiation with the Homes and Communities Agency if grant is awarded.

8.3.8 Providing shared ownership in new developments would help to ensure an ongoing supply of this form of tenure as leaseholders staircase out of existing properties.

8.4 Information for Leaseholders

8.4.1 The leaseholder survey identified the need for more information to be provided to shared owners on their rights and responsibilities, staircasing etc. It is recommended that a regular newsletter – maybe annually - be re-established to ensure that leaseholders are kept appropriately informed.

8.5 Applications and Eligibility for Shared Ownership

8.5.1 Eligibility criteria should be amended (as detailed above) and prioritisation based on that used for allocating properties through Home-Link.

8.5.2 We need to improve the information available to Home-Link applicants who may be interested in shared ownership as an option.

8.6 Marketing

8.6.1 A range of marketing methods needs to be employed to ensure that they reach as wide a market as possible and that they go to those most in need.

8.7 Shared Equity

8.7.1 Consideration has been given to introducing a shared equity product, where a buyer would purchase a percentage share of the property, with the balance provided as an interest-free equity loan. On re-sale, the percentage share on which the loan was granted would be repaid, with the Council and the seller benefiting from any increase in the value of their respective shares. A form of this has already been used as an option for a leaseholder needing to move as part of the Council's development programme.

8.7.2 Whilst this might be expected to generate a profit for the Council (subject to house prices continuing to rise), with no rental income the returns are much longer term than for shared ownership, and the timing of repayments is unpredictable. Use of equity share at this stage, other than for one-off exceptional cases, is not likely to make a significant contribution to the current requirements of HRA business plan.

8.8 Repairs and Maintenance

8.8.1 Although the cost of repairs and maintenance was raised in the leaseholder survey, the Council already offers a discounted rent to reflect that this is the leaseholders' responsibility. The Council taking on responsibility for repairs would lead to increased responsibility for the Council and an increase in weekly rent for the leaseholder. It is therefore not considered necessary to change the current arrangements.

9.0 COST OF IMPLEMENTING RECOMMENDATIONS

9.1 Revenue Costs

9.1.1 Revenue costs of developing and assessing the business case on each property, improved marketing, improved information to leaseholders, balancing of the shared ownership portfolio etc will be delivered using existing resources.

9.1.2 Revenue costs for new shared ownership homes will be factored into the financial modelling.

9.2 Capital Costs

9.2.1 Additional capital would be required to enable properties to be bought back and retained as rental stock, and for any work required to bring them up to the Decent Homes standard.

9.2.2 A capital allocation of £200,000 per year has been incorporated for this purpose as part of the HRA budget setting report for 2014/15 onwards. It is proposed that this is combined with the budget for repurchasing properties under the Right of First Refusal, to allow for flexibility in expenditure. This should allow for up to two repurchases per year over the next five years – depending on property valuation and size of share being repurchased. This will be reconsidered in three years' time when the new arrangements are reviewed.

9.2.3 Government grant will be sought to support the cost of developing new shared ownership homes.

9.3 Generating Capital receipts

9.3.1 It is hoped that promotion of staircasing will generate some additional capital receipts, although it is not possible to forecast the impact at this stage. Promotion activity will need to be kept under review.

10.0 ALTERNATIVE SHARED OWNERSHIP MODELS

10.1 Shared ownership has its issues as a housing option. Even though it is cheaper than market purchase, increasing rent levels (and service charges), interest rates, repair costs, and increases in valuations where leaseholders wish to staircase will affect affordability over time. It tends

also to be less flexible for service users than some other forms of intermediate tenure, including being subject to eligibility criteria, restrictions on selling on the open market, not being allowed to sub-let, etc. It is therefore only going to be attractive to a limited market.

10.2 Providers have trialled different models over the years, including selling much smaller shares, rent-to-buy where tenants rent for a period whilst saving for a deposit, do-it-yourself shared ownership (DIYSO) where purchasers buy on the open market, etc. This Council investigated setting up a DIYSO scheme around ten years ago, but the costs – either of setting up and managing it internally, or procuring through another Registered Provider, were considered prohibitive.

10.3 These schemes have had mixed success, and the tension between viability and affordability tend to be key issues. There is no one tried and tested alternative to basic shared ownership.

10.4 However, with the current lack of housing supply, and high levels of buyer interest in the new national Help to Buy shared equity scheme, there have been calls for government to re-examine shared ownership as a model.⁸ The Council needs to keep an eye on developments in this area, and take these into account in future reviews of the service.

11.0 CONCLUSIONS

11.1 Whilst there are issues to be resolved, there would be no justification for terminating the existing scheme. Indeed the scheme is judged to represent value for both the Council and leaseholders, and provides an additional housing option for those unable to access social housing or shared ownership.

11.2 As house prices and private rent levels continue to increase, shared ownership is the only option available to many to enable them to access settled accommodation and to get onto the housing ladder.

11.3 Improvements to the existing scheme, and extension into new developments as required, will help to ensure that the needs of this growing group continue to be addressed.

⁸ Resolution Foundation – One Foot on the Ladder, November 2013:
<http://www.resolutionfoundation.org/publications/one-foot-ladder-how-shared-ownership-can-bring-own/>

11.4 The recommendations in this report need to be viewed as a package to ensure an ongoing supply of shared ownership housing which supports the HRA Business Plan, and continues to provide value for money for leaseholders.

11.5 Revised arrangements need to be reviewed in around three years' time to assess ongoing suitability of the scheme.

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Shared Ownership Review 2013 -Action Plan

Action	Completion date	Lead Officer	EQIA* Action	Progress
1. Agree roles and responsibilities in, and process for, developing business case for available properties	Mar-14	Head of City Homes (Robert Hollingsworth)		
2. Agree process for converting appropriate rented properties to shared ownership, ensuring no direct loss of overall numbers of rented properties	Mar-14	Head of City Homes (Robert Hollingsworth)	Take into account need to balance sizes and types of properties available to meet needs. Develop process link between Housing Advice, City Homes and Leasehold Team to ensure properties are identified to meet specific identified needs.	

Action	Completion date	Lead Officer	EQIA* Action	Progress
3. Continue to model and plan for, and deliver shared ownership properties on Clay Farm. Monitor delivery.	Dec-16	Development Officer (Sabrina Walston)	Take into account the needs of vulnerable groups in the design of, and size and types of housing provided - including need for wheelchair accessible/ older people's housing, location, parking availability etc. Ensure new properties are as affordable as possible to local people - including offering properties at lower shares (subject to viability).	
4. Model and plan for provision of shared ownership properties on other Affordable Housing Development sites as appropriate. Monitor delivery.	Apr-18	Development Officers (Gary Norman & Sue Dellar)	As for Clay Farm above	

Action	Completion date	Lead Officer	EQIA* Action	Progress
5. Implement new applicant eligibility criteria	Mar-14	Leasehold Manager		
6. Implement new criteria for prioritising applicants	Mar-14	Leasehold Manager (Carol Amos)		
7. Provide information annually to shared ownership leaseholders on staircasing and Council & leaseholder rights and responsibilities	Around the beginning of each financial year	Leasehold Services Officer (Lorna Winn)		
8. Improve provision of information to Home-Link applicants on shared ownership as a housing option	Mar-14	Housing Advice Service Manager (David Greening)		
9. Restart leases at 99/125 years on properties at point of re-let where appropriate, to support leaseholders who may want to remortgage in future	Ongoing as properties are resold	Jackie Griffiths	Consider the extent to which this will increase the purchase price and impact on affordability.	

Action	Completion date	Lead Officer	EQIA* Action	Progress
10. Review lease terms in conjunction with development of Clay Farm leases	tbc	Senior Legal Officer (Jackie Griffiths)		
11. Agree arrangements for improved marketing of properties	Mar-14	Leasehold Manager (Carol Amos)	<p>Advertise on the Council's website , to ensure access to Council's translation/ interpreting services and other formats.</p> <p>Target marketing more effectively - eg to older people, disabled people etc as appropriate.</p>	
12. Seek to clarify requirements around pooling of capital receipts	Dec-13	Principal Accountant (Julia Hovells)		
13. Contact all leaseholder survey respondents who asked to be contacted about issues raised	Dec-13	Leasehold Services Officer (Lorna Winn)		

Action	Completion date	Lead Officer	EQIA* Action	Progress
14. Contact all applicant survey respondents who asked to be contacted about issues raised	Dec-13	Housing Advice Service Manager (David Greening)		
15. Review the revised service	Mar-17	Housing Strategy Manager (Helen Reed)	Review EQIA	

* EQIA = Equality Impact Assessment

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Sabrina Walston: Enabling & Development Officer
Relevant scrutiny committee: Community Services Scrutiny Committee 16/1/2013
Wards affected: Trumpington

SCHEME SPECIFIC APPROVAL – QUAD (COUNCIL LAND AT CLAY FARM) Key Decision

1. Executive summary

This report presents the final scheme submitted for planning approval on the Quad development at Clay Farm; the cost of the Affordable Housing (AH) and how it can be funded.

The report highlights the options available for funding the AH scheme through Homes and Communities Agency grant, the opportunity to invest capital receipts from the Right to Buy (RTB) programme and borrowing.

In addition to the funding of this AH scheme, shared ownership is introduced as a tenure within the AH to create a mixed and balanced community.

2. Recommendations

The Executive Councillor is recommended:

- a. To note the scheme submitted for the planning application.
- b. To note the cost of the AH and approve the total budget for the scheme.
- c. To approve that Shared Ownership will comprise no more than 25% of the AH delivered on the Quad development.
- d. To approve delegated authority be given to the Director of Customer and Community Services following consultation with the Executive

Councillor for Housing, Chair and Spokes to agree the final funding structure for the delivery of the Affordable Housing on the Quad development, once there is more certainty regarding anticipated future Right to Buy receipts and the availability of HCA grant funding to the Council.

3. Background

Members have clearly expressed their expectations that the ownership of the land at Clay Farm presented the opportunity to deliver a development of quality design, with exemplar sustainability standards by achieving level 5 of the Code for Sustainable homes and BREEAM excellent on the commercial element, and a scheme that delivers 50% of the housing as AH. The procurement process to select a developer ensured that these goals will be achieved.

The Council has a conditional contract to sell the land at Clay Farm to Hill Residential Limited (Hill), which is now known as Quad. Please see Appendix 1 for the Masterplan of the site and an aerial view of the proposed development. The land is accounted for under the General Fund. At the June 2012 Community Services Scrutiny Committee the Executive Councillor for Housing approved that the Affordable Housing will be delivered by the Council and will be managed by City Homes.

It is proposed that 75% of the AH dwellings on Quad will be Affordable Rent and 25% of the AH dwellings will be Shared Ownership in line with the Council's Affordable Housing Supplementary Planning Document. Shared Ownership is a tenure that allows a household to purchase an equity share, an average of 44% in Cambridge City, of a dwelling. In this case the Council will retain the remaining equity and a rent will be paid to the Council on the unsold equity. The mix of tenure between rented and intermediate AH, together with the private dwellings, provides a good range for a mixed and balanced community.

4. Implications

(a) Financial Implications

The tender to select Hill fixed the cost of AH flats at £1,680 per square metre and houses at £1,400 per square metre. Therefore the build cost of the AH will be £13,408,640 plus £1,929,506 for the S106 payments and £871,492 for other fees. The budget required for the scheme is therefore £16,209,638.

Please see the tables below for the rent levels assumed in the financial modelling for the AH. These rents will part fund the repayment of any borrowing taken on by the Council. Both sets of rents have been inflated to 2015/16 levels. The Local Housing Allowance (LHA) figures are those at November 2013, therefore this is a slightly inaccurate comparison but no future LHA data is available. The final rents for the scheme will not be above Local Housing Allowance level.

Affordable Rent (AR) Levels

Dwelling Size	Rent per week	November LHA
1 Bed Flat	£129.53	£120.00
2 Bed Flat	£141.88	£137.97
3 Bed Duplex	£167.78	£160.37
4 Bed House	£222.07	£207.69

Shared Ownership Rent Levels

Dwelling Size	Equity Share Bought	Rent on Unsold Equity (70%)
1 Bed Flat	30%	£61.08
2 Bed Flat	30%	£90.33
3 Bed Duplex	30%	£117.45
4 Bed House	30%	£155.45

Quads AH Funding

There are several options to fund the AH on the Quad development. A proportion of the funding will be through borrowing. As the Council now has the ability to use RTB receipts to re-provide AH, these receipts can fund up to 30% of new build AR dwellings, but this funding is not available for Shared Ownership dwellings. The maximum RTB receipt that could be used to part fund the cost of delivering the AH is £3,580,546 on the Quad development, although obviously this figure is not certain as some costs are still estimated. At the end of September 2013, the Council has £2,422,617 of RTB receipts that are not yet committed to other schemes and are therefore available to be attributed to this project. Using RTB receipts at this level and borrowing the balance, ie scenario 2 below, is how this project has been accounted for in the Housing Revenue Account Budget Setting Report. Right to buy receipts continue to be received, and the Housing Revenue Account Budget Setting Report recognises that the any new receipts received will also be attributed to this project up to the estimated maximum of £3,580,546, as demonstrated in scenario 3.

The HCA has announced there will be an Affordable Housing Programme (AHP) 2015-18, which will allow Registered Providers (RP) to apply for grant funding. Cambridge City Council is an RP and therefore has the opportunity to bid for grant funding. The HCA has announced that it will publish the prospectus for the AHP 2015-18 bid round by the end of 2013, with bids to be made by April 2014. Once the Council has had sight of the prospectus a paper will be brought to the Community Services Scrutiny Committee for the Executive Councillor for Housing to decide if the Council should bid for grant funding. This scheme has the potential to benefit from any grant funding available and for the purposes of this report grant rates of £15,000 per AR dwelling and £10,000 per Shared Ownership dwelling have been assumed, which totals a maximum of £1,430,000 grant funding.

RTB receipts and grant funding cannot be used on the same dwellings, ie if RTB receipts can help fund 60% of the AH at Quads, then grant funding could only be attributable to 40% of the AH at Quads.

Some example funding scenarios are shown below. These are based on 75% AR and 25% Shared Ownership, where a 30% equity share has been bought, with the capital receipt for the sale of the share equating to £2,199,000 of the required funding in the early years of the project. Scenario 2 has been included in the Budget Setting Report for approval, with recognition that scenario 3 will be applied if further receipts are received. All scenarios within the below table are based on a cost of £16,209,638.

1. 100% borrowing
2. Currently available RTB receipts and the balance borrowing
3. Maximum RTB receipts and borrowing the balance
4. A mix of currently available RTB receipts, HCA grant on the remainder and borrowing the balance
5. Maximum HCA grant and borrowing the balance

Scenario	Borrowing £000	Shared Ownership Receipts, £000	RTB Receipts £000	HCA Grant £000	Payback (years)	Break even (years)
1	£14,011	£2,199	£0	£0	41	13
2	£11,588	£2,199	£2,423	£0	33	4
3	£10,430	£2,199	£3,581	£0	29	3
4	£11,223	£2,199	£2,423	£365	32	4
5	£12,581	£2,199	£0	£1,430	37	8

The basis of 30% equity share purchased is a pessimistic scenario. Therefore further funding scenarios have been modelled based on a 44% (the average equity share bought in Cambridge) and a 47% (the average equity bought at Clay Farm thus far) equity share purchase. This has the

effect of reducing the number of years taken to payback and breakeven for the project from the figures shown in the above table. These scenarios are available on request.

If a project has a payback period of 35 years or below it is considered to be an acceptable project in financial terms.

(b) **Staffing Implications** (if not covered in Consultations Section)

City Homes South will add 104 dwellings to their management.

(c) **Equal Opportunities Implications**

An EQIA has been carried out for the Council's new build programme overall.

(d) **Environmental Implications**

The Quad development will achieve a high standard of environmental sustainability at better than level 5 of the Code for Sustainable Homes.

(e) **Procurement**

The Council undertook a fully EU compliant procurement to select a developer that would be capable of delivering an exemplar scheme on the land at Clay Farm. Hill was selected as the developer and is now in a conditional contract to purchase the site.

(f) **Consultation and communication**

The Quad design was shown and a presentation given at the Sothern Fringe Community Forum. The residents' consultative group and Affordable Housing Member steering group have also been kept informed of the progress of the scheme on a number of occasions.

(g) **Community Safety**

Secured by Design will be achieved on Quads.

5. Background papers

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

Funding scenarios

EQIA

Housing Revenue Account Budget Setting Report

Shared Ownership Review

6. Appendices

Appendix 1: Quad site plan and elevations

7. Inspection of papers

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

Author's Name:	Sabrina Walston, Enabling & Development Officer
Author's Phone Number:	01223 – 457910
Author's Email:	sabrina.walston@cambridge.gov.uk



Large specimen trees

Swales

Podium planted with low planting trees planted on ground below

Planting in swale
Facade greening

Proposed road bounds site boundary

Terraced lawn
Sunken lawn
Resed bed

Allotments

Large specimen tree and shrub planting to terminate vistas

Planting against fence

Medium street trees

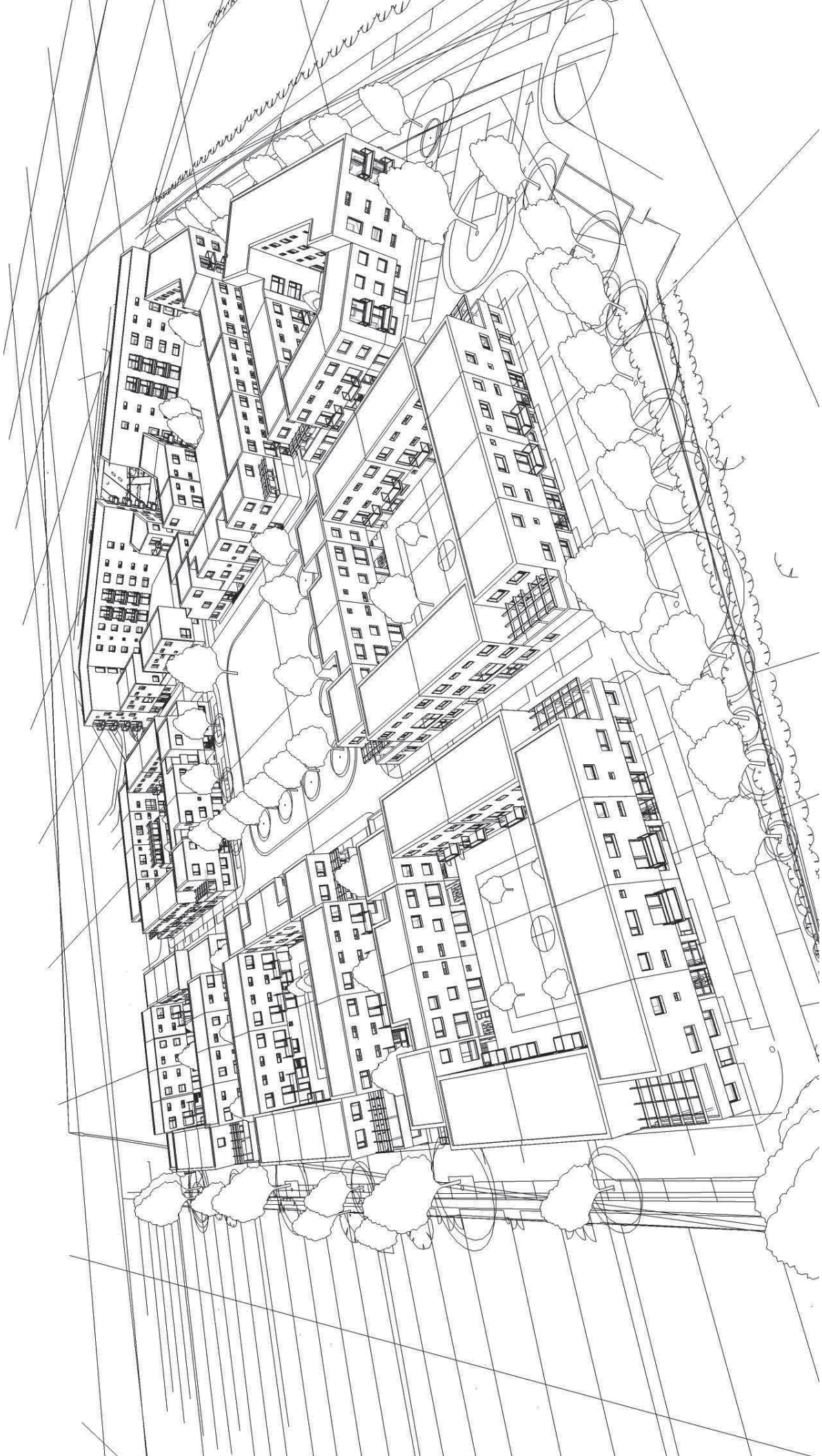
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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Jas Lally Head of Refuse and Environment
Relevant scrutiny committee: Community 16/1/2014
Services
Scrutiny
Committee
Wards affected: All Wards

UNLAWFUL EVICTION AND HARASSMENT POLICY Not a Key Decision

1. Executive summary

1.1 The law provides residential occupiers with the right to live undisturbed in their homes and protects them in cases of unlawful eviction and harassment. Sometimes, a landlord or someone acting on behalf of the landlord, for example the landlord's agent may interfere with the occupier's peaceful occupation of the property. Unlawful eviction and harassment are criminal offences for which the person responsible can be prosecuted by the Council. In addition someone who is being unlawfully evicted and/or harassed can claim damages (compensation) through the civil courts but must undertake this legal action themselves.

1.2 The Council encourages best practice within the city's private rented sector and will support residential occupiers who are at risk of unlawful eviction or subjected to harassment

1.3 This policy allows the Council to take a structured approach in dealing with unlawful eviction and harassment cases that are reported.

2. Recommendations

The Executive Councillor is recommended:

2.1 To adopt the Unlawful Eviction and Harassment Policy attached in Appendix 1

2.2 To delegate to Head of Refuse and Environment authorisation to deal with Unlawful Eviction and Harassment as outlined in paragraph 3.10

3. Background

3.1 Private sector rented accommodation has been growing over a number of years in the City and as such there has been an increase in unlawful activities by some landlords. Most landlords follow the correct procedures when they want a residential occupier to leave. However, some landlords and their agents may use harassment and/or other methods which amount to unlawful eviction in order to make someone leave their home. These methods can cause considerable distress and anxiety to the occupiers and may lead to homelessness.

3.2. In 2012 Cambridge City Council signed up to the rogue landlord campaign which Shelter is promoting to tackle landlords who are acting unlawfully within the private rented sector.

3.4 A new Housing Enforcement Officer was appointed in May 2013 to deal with these issues within the City. This post sits within the Refuse and Environment Section

3.5. As part of the role, the Officer was tasked to develop a policy to deal with unlawful eviction and harassment. The policy attached in Appendix 1 sets out the Council's approach and the enforcement options that are available when dealing with such cases.

3.6 The Council aims to provide a prompt, clear and co-ordinated response to allegations of unlawful eviction and harassment. When the Council becomes aware of a situation, they will contact the landlord or agent and try to prevent unlawful eviction or harassment. Where appropriate the Council may facilitate mediation between the residential occupier and the landlord or agent.

3.7 If the landlord or agent continues to harass or unlawfully evicts the residential occupier the Council will take appropriate action. The Councils' primary objectives will be to stop the harassment from continuing and to prevent unlawful eviction.

3.8 The Council has the power to investigate and prosecute suspected offenders. In all cases of unlawful eviction and harassment of a residential occupier reported to the Council, the Council will actively consider whether formal action should be taken. In deciding what action to take, the Council will have regard to the seriousness of the alleged incident of unlawful eviction or harassment. Decisions about what action the Council will take will be made in accordance with the Council's Enforcement Policy.

3.9 All relevant evidence and information will be considered before deciding upon a prosecution in order to enable a consistent, fair and objective decision to be made.

3.10 Currently the constitution gives delegation to the Director of Customer and Community Services to deal with tenancy relations, harassment and protection from eviction. As Officers within this directorate may take action for unlawful eviction and harassment it is proposed that this delegation will remain with the Director of Customer and Community Services. However, the new housing enforcement post sits within

Refuse and Environment and is line managed by the Residential Team Manager to ensure that operationally issues are dealt with efficiently and effectively in line with the enforcement policy. Therefore it has been agreed that the delegation should also be given to Head of Refuse and Environment

4. Implications

(a) **Financial Implications**

None

(b) **Staffing Implications**

None

(c) **Equal Opportunities Implications**

An equality impact assessment will be carried out after the policy has been adopted

(d) **Environmental Implications**

Nil

(e) **Procurement**

Nil

(f) **Consultation and communication**

The policy has been agreed with Legal services and was presented to Housing Management Team who agreed with the principles

The policy will be published on the Councils website

(g) **Community Safety**

Nil

5. Background papers

None

6. Appendices

Appendix 1 Unlawful Eviction and Harassment Policy

7. Inspection of papers

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

Author's Name: Yvonne O'Donnell
Author's Phone Number: 01223 - 457951
Author's Email: yvonne.odonnell@cambridge.gov.uk



UNLAWFUL EVICTION & HARASSMENT POLICY

2013/2014

Cambridge City Council
UNLAWFUL EVICTION & HARASSMENT POLICY

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Policy Statement

This Policy reflects the Council's Vision as set out in the 'Annual Statement' in delivering:

'A City where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all'

The Council will encourage best practice within the city's private rented sector by working with individual landlords, landlord groups and letting agents and by providing them with information and support.

The Council will support residential occupiers who are at risk of unlawful eviction or subjected to harassment

The Council will consider taking enforcement action against any landlord or other person who unlawfully evicts or harasses a residential occupier

Where appropriate the Council will offer support, and will provide information about sources of advice and representation to enable a residential occupier to take their own civil proceedings against the landlord or other person who unlawfully evicts them or subjects them to harassment.

The Council recognises the rights as well as the responsibilities of landlords and will actively encourage all residential occupiers to observe their legal obligations

Section 1

Introduction

(1) The Occupier

The law provides protection for residential occupiers who are unlawfully evicted from their homes and / or who are harassed.

The Council aims to provide a prompt, clear and co-ordinated response to allegations of unlawful eviction and harassment

A residential occupier is a person occupying premises as a residence. Anyone, including a trespasser, can be a “residential occupier”.

Where a property has been let as a residence under a tenancy or a licence and that tenancy or licence has come to an end a landlord must obtain a court order before they can regain possession of the property. There are some exceptions, for example where the occupier shares accommodation with their landlord.

If the residential occupier is a trespasser, the owner of the property must still obtain an order for possession from the court. If the residential occupier is sharing accommodation with the landlord it may not be necessary to obtain an order for possession from the court but independent legal advice should be taken in all cases.

Most landlords follow the correct procedures when they want a residential occupier to leave. However, some landlords and their agents may use harassment and/or other methods which amount to unlawful eviction in order to make someone leave their home. These methods can cause considerable distress and anxiety to the occupiers and may lead to homelessness.

When the occupier makes the Council aware of the situation, the council will contact the landlord or agent and try to prevent unlawful eviction or harassment. Where appropriate the Council may facilitate mediation between the residential occupier and the landlord or agent.

If the landlord or agent continues to harass or unlawfully evicts the residential occupier the Council will take appropriate action.

(2) Landlords and Agents

The Council provides a range of assistance to help landlords/agents comply with their legal responsibilities when they want a residential occupier to leave their property.

These include:

- The Tenancy Relations Officer who maintains effective relationships between landlords and tenants, advising on best practice for both parties
- The landlord Liaison Officer who is a point of contact for landlords and letting agents and develops council private sector housing schemes to prevent homelessness
- Advice documents and guidance which are produced in a hard copy format and published on the Council's website
- Landlord forums and a Property Accreditation scheme also promote responsible behaviour and compliance with current legislation, best practice and expertise promoted by the council

Other sources of independent advice include Solicitors, Shelter and the Citizens Advice Bureau (See section 10).

Section 2

Background

The law provides residential occupiers with the right to live undisturbed in their homes and protects them in cases of unlawful eviction and harassment. Sometimes, a landlord or someone acting on behalf of the landlord, for example the landlord's agent, may interfere with the occupier's peaceful occupation of the property. Unlawful eviction and harassment are criminal offences for which the person responsible can be prosecuted by the Council. In addition someone who is being unlawfully evicted and/or harassed can claim damages (compensation) through the civil courts but must undertake this legal action themselves.

The Councils' primary objectives will be to stop the harassment from continuing and to prevent unlawful eviction.

A residential occupier usually wants to be reinstated to his or her home as soon as possible. The occupier can make an application to the County Court for an injunction to be reinstated, and for damages to compensate for the loss of occupation. Such an application is a private law remedy and must be pursued by the occupier themselves. The Council's Housing Advice Team and Tenancy Relations Officer will make referrals to local support agencies such as Victim Support and/or the Citizens Advice Bureau.

In some cases, it may not be appropriate for the residential occupier to be reinstated. They may not wish to return to the property, or it may be unsafe for them to do so.

The residential occupier who has been unlawfully evicted can pursue a claim for damages against the landlord in the County Court whether or not they apply to be reinstated.

2.1 Relevant Legislation

The law relating to unlawful eviction and harassment offers a range of approaches in both the criminal and civil courts. The council has the power to take some actions on behalf of the residential occupier but other remedies may be exercised by the occupiers themselves, or the Police.

2.1.1 Criminal Action

The Council may take action on behalf of the occupier under the Protection from Eviction Act 1977 to protect a broad range of residential occupiers from being harassed or unlawfully evicted. The act creates three criminal offences which can be prosecuted by the Council.

Firstly, it is a criminal offence for any person to unlawfully deprive the residential occupier of any premises, of their occupation of the premises or any part of the premises, or attempt to do so. It will be a defence for that person if they can prove, on the balance of probabilities, that they believed, and had a reasonable cause to believe, that the residential occupier was no longer living in the premises.

Secondly, any person who does acts likely to interfere with the peace or comfort of the residential occupier or members of their household commits a criminal offence.

Further, it is also an offence if that person persistently withdraws or withholds services reasonably required for the occupation of a residence, with the intent to cause the residential occupier to either give up their occupation, or give up the right to pursue any remedy in respect of the premises.

These offences may be committed by any person, and not restricted to the owner, landlord, or people acting on their behalf.

In addition, a landlord or landlords' agent commits an offence if he or she does acts likely to interfere with the peace or comfort of a residential occupier or members of their household, or persistently withdraws or withholds services reasonably required for the occupation of the premises as a residence. It will be a defence if they can prove, on the balance of probabilities, that they had reasonable grounds for doing the acts or withdrawing or withholding the services.

2.1.2 Civil Action

A residential occupier who has been unlawfully evicted may take action against the landlord under s27 Housing Act 1988. The action will be brought in the County Court as a civil action and will be a claim for damages, including compensation for the loss of their home. The claim can be brought in addition to any criminal action and must be brought by the occupier. The council cannot act for the occupier and will refer the occupier to an independent advisor such as the Citizens Advice Bureau if they require assistance bringing the claim to court.

A residential occupier may take civil action in respect of harassment under the Protection from Harassment Act 1997 as amended. Remedies may include an injunction to prevent a person from pursuing any conduct which amounts to harassment, damages for anxiety and any financial loss arising from the harassment.

2.1.3 Other Criminal Remedies

The Police have powers under the Protection from Harassment Act 1997, the Criminal Justice and Police Act 2001 and the Criminal Law Act 1977 to investigate and prosecute

a range of criminal offences which may arise when a residential occupier is unlawfully evicted. These include:

1. Harassment of an individual;
2. Harassment of two or more persons;
3. Stalking;
4. Stalking involving fear of violence or serious alarm and distress;
5. Harassment of a person in their own home;
6. Using violence to secure entry to premises;
7. Threatening violence to secure entry to premises.

Any suspected offence should be reported to the police immediately. The Council will assist the residential occupier to do so if required.

Section 3

Policy Operation

The Council has the power to investigate and prosecute suspected offenders under the Protection from Eviction Act 1977. In all cases of unlawful eviction and harassment of a residential occupier reported to the Council, the Council will actively consider whether formal action should be taken. In deciding what action to take, the Council will have regard to the seriousness of the alleged incident of unlawful eviction or harassment. Decisions about what action the Council will take will be made in accordance with the Council's Enforcement Policy.

All relevant evidence and information will be considered before deciding upon a prosecution in order to enable a consistent, fair and objective decision to be made. The Council will have regard to the Attorney General's Code for Crown Prosecutors, which means that the following criteria will be considered:

- Whether the standard of evidence is sufficient for a realistic prospect of conviction;
- Whether the prosecution is in the public interest;

The public interest test will be considered in each case where there is enough evidence to provide a realistic prospect of conviction. The Council will consider whether there are public interest factors tending against prosecution which clearly outweigh those tending in favour, or it appears more appropriate in all the circumstances to divert the person from prosecution.

The decision as to appropriate enforcement action will be made by the Head of Service for Refuse and Environment and a summary sheet sent to the Director of Customer & Community Services, the Executive Councillor for Housing and Head of Strategic Housing. Any decision to prosecute will be reviewed by the Council's Legal Services in accordance with the criteria set down in the Code for Crown Prosecutors and the Councils enforcement policy.

Section 4

Investigations

All investigations into alleged reports of unlawful eviction and harassment will follow best practice and the requirements of:

The Human Rights Act 1998

The Regulation of Investigatory Powers Act 2000

The Police and Criminal Evidence Act 1984 (PACE)

The Criminal Procedures and Investigations Act

The Code for Crown Prosecutors

Cambridge City Council will investigate any failure to comply with statutory requirements and take action, including prosecution where appropriate, against those who breach or fail to fulfil their legal obligations.

In deciding on the public interest element the Council will make an overall assessment based on the circumstances of each case.

Section 5

Data Protection

Anyone who asks for help from the Council in relation to unlawful eviction or harassment will be asked to sign a 'Disclosure of Information' form to assist the Council when enquiries are made on their behalf. By signing the form they will consent to the disclosure of information, including confidential information, held by third parties, such as doctors, which may be necessary to support the council's investigation into the alleged unlawful eviction or harassment.

The council will comply with the provisions of the Data Protection Act 1998.

Section 6

Enforcement action

Formal action will be considered (but is not restricted to):

Cautions

A simple caution (previously known as a formal caution) may be issued as an alternative to a prosecution and will be considered during any decision to prosecute.

Where appropriate, cautions will be issued to:

- deal quickly and simply with less serious offences;
- divert less serious offences away from the courts; or
- reduce the chances of repeat offences.

To safeguard the suspected offender's interests the following conditions will be fulfilled before a caution is administered:

- there must be evidence of the suspected offender's guilt sufficient to give a realistic prospect of conviction; and
- the suspected offender must admit the offence; and
- the suspected offender must understand the significance of a caution and give an informed consent to being cautioned.

A caution is a serious matter, which will influence any future decision should the company or individual offend again. It can be referred to in any subsequent court proceedings, unless the caution was issued more than 3 years ago. Where the offer of a caution is refused, a prosecution will generally be pursued.

No pressure will be applied to a person to accept a caution.

The Council maintains a central register of cautions administered.

Prosecution

The Council recognises that the decision to prosecute is significant and could have far reaching consequences on the offender. The decision to undertake a prosecution will normally be taken by the relevant Director/Head of Service and be reviewed by the Council's Solicitor.

Section 7

Reporting Unlawful Evictions

Unlawful Evictions can be reported to Cambridge City Council in person or by telephone, letter or email to the Housing Enforcement Officer. For contact information see section 10.

Reporting Harassment

Harassment can be reported to Cambridge City Council in person, by letter, by email or by telephone to the Housing Enforcement Officer. For contact information see section 10.

Please make an appointment to see the Housing Enforcement Officer if you wish to make the report in person.

Anonymous Reporting

Anonymous reports will not normally be investigated. However, after considering the complainant's reasons for not giving their details, the Housing Enforcement Officer may proceed with an investigation if they consider this to be appropriate taking into account the reasons given and the circumstances of the case.

Out of Hours Cover

The housing advice team out of hours service will operate between the hours of 5 pm (4.30 pm on Fridays) until 9 am the following working day. This is inclusive of Saturdays, Sundays and public/bank holidays. The out of hours service can be contacted on 01706 242 818

Section 8

Complaints

If a member of the public wishes to complain about any aspect of the Councils' work in relation to harassment or unlawful eviction, officers will explain how to make a complaint, as clearly as possible.

To make a complaint using our online form visit:

<https://forms.cambridge.gov.uk/SelfServe/ServicePage.aspx?servicePath=&JScript=1>

To make a complaint by email: complaints@cambridge.gov.uk

or see section 10 below for Customer Services' address and contact number.

Section 9

Review

This policy will be reviewed every 3 years to ensure it continues to meet the Council's aims and objectives.

The review will also ensure that the policy complements the priorities contained within the Council's current Annual Statement and operates under current legislation.

The Housing Enforcement Officer will be responsible for the implementation and review of this Policy and relevant procedures and any comments on the Policy should be directed to this department at the address below.

A copy of the Policy can be obtained upon request from the address below or by visiting the Council's website at www.cambridge.gov.uk

If you require copies of this policy or a copy in large print, in Braille, on tape or in a language other than English, please call 01223 457000

Section 10

Useful Contacts

Housing Enforcement Officer - Refuse and Environment:

In person: Mandela House, Customer Service Centre,
4 Regent Street
Cambridge CB2 1BY – **Appointment only**

By letter: Cambridge City Council
PO Box 700
Cambridge, CB1 0JH

Telephone: 01223 457100

Peterborough Citizens Advice Bureau has been awarded the Legal Aid Agency contract for the next three years (2013 – 2016) to undertake Court duty (advice, assistance and representation) specific to housing/eviction matters on Monday at Cambridge County Court at the housing advice desk or by telephone on 01733 887911.

Cambridge County Court

197 East Road
Cambridge
CB1 1BA
Tel: 01223 224500

Citizens Advice Bureau

66 Devonshire Road
Cambridge CB1 2BL
Tel: 0844 848 7979

Shelter

Tel: 0808 800 4444
Web: http://england.shelter.org.uk/get_advice

Victim Support

Tel: 0845 456 5995
email: vcu.eastofengland@victimsupport.org.uk

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To: Executive Councillor for Community Wellbeing:
Councillor Sarah Brown

Report by: Jackie Hanson, Operations and Resources
Manager, Community Development

Relevant scrutiny
committee: Community Services 16/1/2014
Scrutiny Committee

Wards affected: All Wards

2014-15 COMMUNITY AND ARTS & RECREATION DEVELOPMENT FUNDING TO VOLUNTARY AND NOT-FOR-PROFIT ORGANISATIONS

Key Decision

1. Executive summary

1.1 This report makes recommendations for 2014-15 Community Development and Arts and Recreation Development funding to voluntary and not-for-profit organisations and seeks approval for an efficient and consistent approach across the authority for the approval of grant awards.

2. Recommendations

The Executive Councillor is recommended:

2.1 To agree the recommendations for Community Development and Arts and Recreation Development grants to voluntary and not-for-profit organisations in 2014-15 as set out in the Appendices to this report, subject to confirmation of the Council's 2014-15 budget in February 2014 and, in some cases, to the provision of further information from applicants.

2.2 To approve the increase in delegated powers relating to the approval of community and arts and recreation development grant awards as follows:

- § Awards up to and including £5,000 to be approved by officers
- § Awards from £5,001 - £10,000 to be approved by the Executive Councillor inviting comments from the Chair and Spokes of the relevant scrutiny committee
- § Awards above £10,000 to be approved by the Executive Councillor following consideration by the relevant scrutiny committee

3. Background

- 3.1 The current funding priorities contribute to the City Council's Medium Term Objectives and the Community Development, Arts and Sports Strategies. A copy is attached as Appendix 1.
- 3.2 The Community and Arts and Recreation Development funding for 2014-15 was publicised with a closing date of 3rd October. Detailed assessments on all of the applications were undertaken looking at:
- § how the priorities are met and what outcomes are expected
 - § who the beneficiaries are, how many and where they are from
 - § the evidence of need, partners involved in the project, and consultation undertaken
 - § how projects will be measured and monitored
 - § the organisation and that the funding conditions are met
 - § the amount requested in relation to the total cost of the project and anticipated benefit to city residents
- 3.3 125 organisations have applied for funding for a total of 196 projects, services and activities. Applications and recommendations are set out as follows:
- § Appendix 2 – Community Development grant and discretionary rate relief applications 2014-15
 - § Appendix 3 – Arts and Recreation Development grant and discretionary rate relief applications 2014-15
 - § Appendix 4 – Arts and Recreation Development 3 Year agreements
- 3.4 Since 2006 Community Development and Arts and Recreation Development Grants have been cash limited. The proposal for 2014-15 is to continue to cash limits these budgets. This will result in a saving of £17,700 from the Community Development budget and £4,800 from the Arts and Recreation budget.
- 3.5 Growth Areas – the successful budget bid 2012-13 for £10,000 to support community activities in new and adjacent communities will be included in the Community Development grant budget for its final year in 2014-15.
- 3.6 The figures in the following charts are subject to approval of the City Council's full 2014-15 budget in February 2014.

Community Development

2014-15 Priorities and Funds		Budget %	Available £	Bids £	Offer £	Balance £
1	Community Activities					
1.1	Children. Young people. Families experiencing disadvantage	11.6	100,000	152,229	98,436	1,564
1.2	Equality & Diversity	10.1	92,000	230,873	91,769	231
1.3	Active Older People	4.2	35,690	54,246	34,812	878
2	Social & Economic Deprivation					
2.1	Legal Advice Services	29.1	255,000	255,020	255,020	-20
2.2	Economic Inclusion	15.3	128,000	169,997	126,466	1,534
3	Strengthening the Voluntary sector	16.8	145,000	156,056	140,082	4,918
4	A Growing City (3.6 £10,000)	0.6	10,000	6,000	6,000	4,000
5	Social Enterprises	2.3	20,000	35,319	21,174	-1,174
6	Area Committee Grants*	10	86,000	0	0	86,000
TOTAL		100	871,690	1,062,971	773,759	97,931

Arts and Recreation Development

2014-15 Priorities and Funds		Budget %	Available £	Bids £	Offers £	Balance £
Arts & Recreation Development Grants		92	222,550	337,023	222,544	6
Area Committee Grants*		8	18,920	0	0	18,920
TOTAL		100	241,470	337,023	222,544	18,926

* **Area Committee Grants** budgets will be merged making a total of £104,920 and will be awarded via the area committee grant process during 2014-15.

- 3.7 This funding programme aims to support clearly defined services and activities which:
- § meet the priorities and funding conditions
 - § are costed to include all relevant overheads within a full cost recovery budget
 - § have measurable targets and make a clear impact on demonstrable community needs
 - § are backed up by research and consultation
- Groups, which are actively working towards meeting these conditions, may be considered for funding.
- 3.8 An organisation will not be eligible if it:
- § is set up and/or managed wholly or partly by a statutory organisation
 - § provides religious instruction or worship (religious organisations may be eligible for grants to provide social, leisure, cultural or welfare activities with no proselytising)
 - § operates for private gain
 - § is connected with any political party or involved in party politics
- 3.9 Some organisations need to widen their approach to fundraising and improve the quality of funding applications. We work with the Cambridge Council for Voluntary Support and others to ensure organisations are aware of appropriate options and support available.
- 3.10 All funded groups will have funding agreements for their grants and structured monitoring arrangements.
- 3.11 Some Arts and Recreation Development grant aided organisations are in year two of a three year funding agreement and these commitments have been listed separately in Appendix 4. These organisations will be informed of the forthcoming review proposed in the following report and will be expected to apply against revised priorities for 2015-16 funding. No three year offers will be made in 2014-15.
- 3.12 **Cambridgeshire Compact**
The Council endorsed the Cambridgeshire Compact in 2007. Its main aim is to improve and develop the relationships between the statutory and voluntary sectors. Of particular importance to this report the Council undertakes to give a minimum of 12 weeks' notice in respect of decisions to change or terminate a grant or contract condition.

4. Implications

- (a) **Financial Implications** -These are detailed in the report and appendices
- (b) **Staffing Implications** - None
- (c) **Equal Opportunities Implications**
 - § All grant aid policies are based on the Council's Medium Term Objective to secure a healthy and thriving community, especially through the provision of services to areas and communities that are the most disadvantaged.
 - § Effective implementation of equal opportunities policy and practice by applicant groups is a condition for grant aid.
 - § An Equality Impact Assessment was undertaken on the revised strategy and priorities.
- (d) **Environmental Implications** - All applicants are required to have environmental policies to detail how they will contribute to reducing carbon emissions and establish good practice. Climate change rating +L
- (e) **Consultation and Communication** - Consultation was undertaken on the current grant priorities and will be for the revised priorities 2015-16
- (f) **Community Safety** - some projects, services and activities funded by community development grants will have a positive impact but this is not the primary outcome for this funding.
- (g) **Procurement** - None

5. Background papers

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

- § Grant and discretionary rate relief applications 2014-15 (not available to the public)

6. Appendices

Appendix 1 – Community and Arts and Recreation Development Funding Priorities

Appendix 2 – Community Development grant and discretionary rate relief applications 2014-15

Appendix 3 – Arts and Recreation Development grant and discretionary rate relief applications 2014-15

Appendix 4 – Arts and Recreation Development 3 Year agreements

7. Inspection of papers

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

Author's Name: Jackie Hanson
Author's Phone Number: 01223 - 457867
Author's Email: jackie.hanson@cambridge.gov.uk

Funding Priorities 2014-15 Community Development

Reference number	Priority 1 – Community Activities
	<p>This funding is to enable people in the priority groups listed in CD1.1, 1.2 and 1.3 below to come together to pursue community activities in all parts of the City. (For activities benefiting residents in specific areas of the City please see CD6 Area Committee Grants).</p> <p>Consideration will be given to specific activities and services that enable those groups and individuals to participate in their communities and improve their own well-being.</p> <p>Activities must include one or more of the following:</p> <ul style="list-style-type: none"> • supporting those who are disadvantaged by low income / disability / discrimination • proposals that enable people to participate in decisions and influence the services that affect their lives • bringing people together to identify common issues and to bring about change • investigating local needs and developing responsive projects • increasing the awareness of, and celebrating, the city's cultural diversity <p><i>It is not for personal care services, proselytising or worship or services which are the responsibility of other statutory agencies (unless part of a formal partnership arrangement)</i></p>
CD1.1	<p>Children and young people & families experiencing disadvantage:</p> <ul style="list-style-type: none"> § to provide children and young people with opportunities to participate in positive activities, engage in democratic processes, improve the quality of life in neighbourhoods and across the city. § to meet the needs of children and young people in the areas of growth or demographic change
CD1.2	<ul style="list-style-type: none"> § BME groups § People with disabilities § LGBT groups § Women lacking opportunities to live safe and fulfilling lives § Community cohesion - helping people from different backgrounds to integrate into the Cambridge community and to get on well together.
CD1.3	Older people to live socially and physically active lives

Reference number	Priority 2 – Social and Economic Deprivation
	Projects, services and activities which:
CD 2.1	Improve access to Legal Advice Services (legal, welfare benefits, money/debt advice) for disadvantaged residents which must have the appropriate quality mark and referral systems. (<i>Legal advice services are defined as advice, information or assistance involving knowledge of rights, obligations, conferred by law, and of legal procedures, whether provided by a lawyer or otherwise.</i>)
CD 2.2	Promote Economic Inclusion . Supporting organisations that help individuals to overcome barriers to participation in the City's economy. Support, advice and guidance for unemployed residents and those at the risk of unemployment to gain the confidence, motivation, skills and qualifications to engage in rewarding employment, volunteering or entrepreneurial activities.

Reference number	Priority 3 – Voluntary Sector Infrastructure
CD 3	<p>For organisations playing a supporting, coordinating or developmental role in relation to voluntary and community organisations, especially new, emerging or fragile groups and those working to achieve Community Development priorities, specifically :</p> <ul style="list-style-type: none"> § improving skills and knowledge, sharing expertise and good working practice. § participation in the local Compact, Local Enterprise Partnership, other relevant local partnerships and civic life. § identifying and seeking different sources of income and partnership potential. § stimulating and supporting good volunteering practice. § encouraging innovation and joint working where appropriate.

Reference number	Priority 4 – A Growing City
CD 4	<p>Projects, services and activities enabling voluntary and community activity in new communities on fringe sites to flourish and to support the integration with neighbouring parts of the city:</p> <ul style="list-style-type: none"> § Community development activities as detailed in Priority 1 § Building capacity in, and making links with, adjoining neighbourhoods where development is taking place

Reference number	Priority 5 – Social Enterprise
CD 5	<p>Supporting the development of organisations that re-invest their profits in the organisation or in the community to further social and/or environmental causes through:</p> <ul style="list-style-type: none"> § initiatives that identify and remove barriers to starting and running successful social enterprises. § projects that provide business advice, leadership and management training, peer-support and networking opportunities to enable social enterprises to thrive. § projects that support communities to take on ownership of community-based buildings from which to run social enterprises. § support for voluntary and community organisations to enable them to make a transition from grant dependency to financial sustainability

Arts and Recreation Development

Ref No:	Priority Description
	<p>L1 Improve access to leisure activities for city residents A targeted approach to improving access to arts and sports for city residents who currently have restricted access, particularly including:</p>
L 1.1	§ Minority ethnic groups
L 1.2	§ People with disabilities
L 1.3	§ People on low incomes
L 1.4	§ Children, young people and older people at risk of exclusion from leisure opportunities
L 1.5	§ Residents with low levels of participation in cycling activity (particularly women and people from the above priority groups)
	<p>L2 Enhance the City's cultural offer for city residents Arts and sports activities that enhance Cambridge's cultural offer by doing some or all of the following:</p>
L 2.1	§ Celebrating Cambridge's cultural identity or local traditions
L 2.2	§ Benefiting the local economy
L 2.3	§ Reflecting the city's creative reputation through being new, innovative, and ambitious
L 2.4	§ Promoting environmental sustainability
L 2.5	§ Showcase and celebrate the arrival of the Tour de France in Cambridge in 2014

Area Committee Grants

For local groups or groupings of city residents who want a grant for a community project or activity that will benefit local people living in their area – especially those whose opportunities may be limited by disadvantage such as disability, low income or discrimination.

Projects must relate to the priorities detailed above.

Appendix 2 – Community Development grant and discretionary rate relief applications 2014-15

Please see Appendix 1 for detailed descriptions of the priorities. The following recommendations are subject to confirmation of the Council's 2014-15 budget in February 2014 and, in some cases, to the receipt and verification of further information from applicant organisations (this could include projects, programmes, finances, governance etc).

- § The recommendation is for the application purpose unless otherwise stated in italic
- § Figures in brackets are numbers of beneficiaries
- § No offer is generally due to not meeting the funding priorities and/or eligibility criteria
- § DRR = Discretionary Rate Relief (actual amounts still to be confirmed)

Priority: CD1.1 Children and Young People & Families experiencing disadvantage					
Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
1	Cambridge District Scout Council - scouting activities for young people supported by adult volunteers.	DRR 20%. Corrie, Flamstead, Gilbert, Marmora, Perne, Stanesfield, Green End, Chedworth, Logans, properties available for community use (1076:977 city)	2,772	2,731	2,772
2	Cambridge Family Mediation Service - provide a range of services in the context of separation and divorce. Help children come to terms with family change. Special educational needs mediation.	DRR 20% - Essex House, 3rd Floor, 71, Regent Street, CB2 1AB (108:28 city)	718	707	718
3	Cambridge Sea Cadets - part of UK's largest maritime youth charity. Cadets go to sea, learn to sail & adventure training, nautical theme, extra skills to give head start in life	DRR 10% - 42 Cheddars Lane CB5 8LD	3,231	3,374	1,640
4	Cambridge Women's Aid - information, advice, support for domestic violence victims. Safe accommodation for women fleeing domestic abuse	Contribution towards children's holiday activities and outings (150 all city)	4,000	4,000	4,000
5	Centre 33 - counselling, information, homelessness and advocacy services for young people aged 11-25	Information and advice drop-in (5 days a week) and outreach service for young people 8-25. (4500:2700 city)	31,154	27,500	31,000

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
6	Centre 33	DRR 20%. 33 Clarendon Street, Cambridge CB1 1JX	903	936	936
7	East Barnwell Community Centre - community facility	DRR 20%. Newmarket Road, CB5 8RS (420:330 city)	1,272	1,254	1,272
8	Homestart - support and practical help from trained volunteers to families with under-fives.	Weekly Kings Hedges family group activities (38 sessions for 7 city families)	6,019	6,500	6,000
9	Meadows Children and Family Wing - activities, drop ins, after-school clubs, and courses for local families and children	Family support via twice weekly drop-ins (50 per session); twice weekly after school clubs (584 visits pa for 28 children) and parenting courses (369:314 beneficiaries) <i>Other bids CD1.2,4</i>	73,579	20,000	22,000
10	Red Hen Project - support, training and guidance for children and families	DRR 20%. Northfield Avenue, CB4 2LG (490 all city)	625	615	625
11	Relate Cambridge - support, training and guidance for children and families	DRR 20%. Ground, first and second floors, 3 Brooklands Avenue, CB2 8BB (4945:1978 city)	1,184	1,166	1,184
12	Romsey Mill Trust - support for young people and families experiencing multiple disadvantages. Outreach, training, learning, sports, arts activities to promote inclusion and develop personal, social and spiritual well-being.	6 group activities per week (228 sessions) delivering a range of positive activities for disadvantaged young people across the city (minimum 95 city) <i>Other bids A&R</i>	17,483	16,950	17,000
13	Romsey Mill Trust	DRR 20%. Hemingford Road, CB1 3BZ	1,147	1,130	1,147
14	Student Community Action - provides social, educational, practical support to vulnerable groups and student volunteers to over 30 VCSOs in Cambridge.	Contribution towards children and family projects (600+ registered volunteers and 606 beneficiaries - 589 city)	6,500	6,500	6,500
15	Student Community Action	DRR 20%. 10 Pembroke Street, CB2 3QY	630	643	630
16	Trumpington Residents Association - community facility	DRR 20%. Trumpington Pavilion, Paget Road. CB2 9JF (10,000:9,500 city)	452	445	452
17	Trumpington Village Hall - community facility	DRR 20%. Trumpington Village Hall, High Street, Trumpington. CB2 9HZ (18,500:17,000 city)	560	551	560
				Total	98,436

Priority: CD1.2 BME, LGTB, Disabilities, Women, Community Cohesion

	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
18	Afghanistan Turks Association - encourage integration, promote education, provide activities for low income families	Monthly integration group for women and children organising arts and crafts (30:17 city)	873	0	240
19	Afghanistan Turks Association	3 cultural celebrations (100:31 city)	905	450	300
20	Bangladesh Welfare & Cultural Association recreation facilities in the interest of social welfare, relieve unemployment	Weekly youth group 35 sessions (30 all city), Independence day party (250), u16s football match (60), family trip (85)	3,000	0	3,000
21	Boishakhi Cultural Association - Bangladeshi residents: fortnightly meetings, badminton; trips; Eid events	1 summer seaside trip with 2 coaches (100 city 100%)	1,179	1,195	1,100
22	Boishakhi Cultural Association	One event with cultural activities around Eid or New Year (100 city 100%)	700	285	400
23	British Heart Foundation - pioneer research into the causes of heart disease and improved methods of prevention, diagnosis and treatment; provide vital information to help people reduce their own heart health risk; help attain the highest possible standards of care and support for patients; reduce inequalities in the levels of heart disease across the UK	DRR - 10 Burleigh Street, CB1 1DG and DRR - 164 - 167 East Road CB1 1DB <i>Policy not to fund charity shops</i>	16,910	0	0
24	Cambridge African Network - promote community engagement, integration of the African community + personal development of members. Training, information and recreation.	Monthly meetings x 12 (50); 1 summer trip (80); AGM (50); dance workshop (25); Black History Month event (80); end of year social event (80). (177:134 city) <i>Contribution to coach and room hire only</i>	2,200	1,500	1,500
25	Cambridge Ethnic Community Forum – Umbrella organisation working towards eliminating race discrimination, promoting equal opportunities, community cohesion, building good relations and developing BME groups and encouraging civic engagement: holds Community Legal Service Quality Mark	Race equality service - 4 days pw; drop-in 15 hours per week for 250+; telephone help line 24 hours pw. 500 calls per annum, information, advice, good practice, meetings and training. Partnership work with council. <i>Other bids CD3 and below</i>	11,571	8,000	8,000

	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
26	Cambridge Ethnic Community Forum	Partnership bid: CHES, Disability Cambridgeshire and Cambridge Online. Provide face-to-face advice, advocacy and representation service with enhanced provision to access specialist advice, training and support in relation to the use of IT and navigating the "Digital Gateway" at Barnwell Library, Arbury Library, Meadows Community Centre, and CECF office. Weekly advice session at each location.	64,105	15,000	15,000
27	Cambridge Ethnic Community Forum CHES provides specialist advice, advocacy, casework and representation in relation to : welfare benefits, social care, health, education, housing, employment and criminal justice in relation to equalities discrimination and human rights; and training in equality and human rights	CHES - improved access to legal advice service via free, confidential, specialist face-to-face advice, advocacy, casework and representation service 3 evenings pw around welfare benefits, social care, health, education, housing, employment, criminal justice, equalities and human rights + dedicated women and girls service 1 evening pw.	39,669	0	10,000
28	Cambridge Ethnic Community Forum	3 collaborative cohesion events with 3 BME groups for 450+ and annual multicultural event for 180	3,458	3,260	3,000
29	Cambridge Gateway Club - befriending, social and leisure opportunities for people with learning disabilities	Centre based activities including quiz, karaoke, disco, sport and games evenings and off site activities including ten pin, Christmas and seaside trip (28:10 city)	1,000	800	800
30	Cambridge Hard of Hearing Club - enhancing the social lives of people with hearing problems. 10 meetings, an outing and dinner	10 meetings (20 city) and quarterly newsletter (28:75% city)	500	500	500
31	Cambridge Hindu Samaj - cultural, social and sports activities for all. Yoga, meditation and charitable activities.	Hall hire for events and festivals (200:150 city) <i>Other bid A&R</i>	500	500	500

	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
32	Cambridge Islamic Youth Project - physical, mental and social activities for Muslim boys (aged 8-18), encouraging members to plan activities and think of their social responsibilities.	Fortnightly 3 hour ethnic minority Muslim boys group - sports, discussion, parental involvement. (25:85% city) plus 1 trip	710	900	710
33	Cambridge Kerala Cultural Association - cultural, social and educational activities for residents from Kerala, India	3 x Xmas and New Year cultural events; Festivals (Diwali, Holi, Onam, Vishu) (All 5 bids 478:400 city) <i>Other bid A&R</i>	4,950	1,000	1,000
34	Cambridge Malayalee Association Promotes social, artistic, cultural, sports activities for Malayalee residents	3 celebration days - Onam, Harvest Festival and New Year event, charity event to fund Addenbrookes Cancer Centre, sports days, careers guidance and personality development seminar for children, one day tour, and national talent competition participation. (350:320 city) <i>Contribution to celebration days only</i>	9,600	1,000	1,000
35	Cambridge Qu'ranic Cultural Association - weekly classes on Qur'anic culture for girls aged 16 and under and boys aged 12 and under held at the Mosque	Annual trip for children (153 all city)	3,000	0	1,000
36	Cambridge Rape Crisis Centre - services for women and girls who are survivors of rape and sexual violence	Telephone helpline; open three times a week for 7 1/2 hours, plus 24 hour answerphone handling approximately 492 calls per year.	1,400	1,400	1,000
37	Cambridge Rape Crisis Centre	DRR 20%.17D The Courtyard, Sturton Street, CB1 2SN	359	353	359
38	Cambridge Rethink Carers' Group - support services for people with schizophrenia and their carers/families	Contribution towards 6 newsletters and meetings and 24/7 telephone helpline (160:47 city)	1,000	1,000	1,000
39	Cambridge Samaritans - help for people who are suicidal, despairing or in distress.	DRR 20%. 4 Emmanuel Road, CB1 1JW (20,151 contacts)	2,080	2,049	2,080
40	Cambridge Senior Muslims - discussion, friendship, community spirit.	Activities and information for older people including fortnightly social meetings, and Eid parties (125:100 City)	6,820	3,000	3,000

	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
41	Cambridge St Raphael Club - activities for physically disabled people (mostly wheelchair users); trips and social evenings	Hire of ambilift coach for trip to seaside (25:10 city)	850	0	340
42	Cambridgeshire Vietnamese Refugee Community - cultural activities and advocacy service for older Vietnamese residents	Shopping for elderly disabled. Summer outing, AGM and Mid-Autumn Festival, Lunar New Year (290:250city)	3,050	3,000	2,550
43	Camsight - services and information for visually impaired people	Emotional support follow-on group - monthly or fortnightly confidence building courses (6:50% city 30% over 60)	1,500	1,000	750
44	Camsight	DRR 20%.167 Green End Road CB4 1RW	1,955	3,107	1,955
45	CAMTAD - basic hearing aid maintenance and advice. Drop in sessions	DRR 20%. 8a Romsey Terrace CB1 1HT (500)	409	403	409
46	Changing Directions - young disabled people's social group. Monthly meetings and outings	Support worker, volunteer expenses for monthly meetings and outings. (22:11 city average 16 attendees)	500	350	350
47	Chinese Families Together - cultural and social activities for Chinese families; bi-weekly meetings	4 English and Chinese festival celebrations (120:96 city) <i>Other bid A&R</i>	3,800	3,000	3,000
48	Chinese Families Together	Weekly playgroup x 2 hours (30:27 city - 10 adults, 15 under 5s)	1,400	0	0
49	Dales Trust (Dhiverse is the trading name). Support for people living with or affected by HIV, awareness raising	DRR 20%. Office B and Office B1 Dales Brewery, CB1 2LJ (100:70 city)	674	664	674
50	Friends with Disabilities - social activities for people with physical disabilities via monthly meetings, trips and outings	Monthly meetings, coach trip and Celebrates Age event (63 all city)	1,500	1,500	1,500
51	Indian Community and Culture Association - promotes Indian culture, Hindu religious events and Sunday prayer meeting; over 50s group; dance and music classes; Gujarati classes; monthly newsletter; sports activities	Cultural activities, monthly newsletter, quarterly discussions on Hindu philosophy, Indian music & dance sessions, yoga <i>Award for cultural activities and newsletter only</i>	7,610	2,500	2,000

	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
52	Indian Community and Culture Association	DRR 10%. Bharat Bhavan, 117 Mill Road CB1 2AZ	222	234	234
53	Indian Cultural Society - promote awareness of Indian culture for local residents via cultural and social activities	4 events: Spring Festival, Bengali New Year, 2 day Autumn Festival, Diwali Annual Autumn Festival - cultural programmes of Indian dance and music (500:300 city)	2,000	1,000	1,000
54	Meadows Children and Family Wing	2 Freedom Programme (domestic violence) courses each 13 weeks plus crèche (26 city women plus 26 children)	18,937	6,000	6,000
55	Pakistan Cultural Association - social, cultural, religious, welfare and sporting activities. Promote values, cohesion and integration.	Pakistan Day Celebration includes children's talent show, women's performance and family involvement (300:269 city) <i>Other bids A&R</i>	1,175	750	750
56	Pakistan Cultural Association	Celebration of diversity, integration, and tolerance (200:188 city)	2,520	750	750
57	Pakistan Cultural Association	1 x women's discussion forum (100:95 city)	730	250	250
58	Pakistan Cultural Association	Women's monthly coffee mornings – Anchal Group (50 per session, 50:45 city)	1,740	500	500
59	Pakistan Cultural Association	Trip to London (50:67 city- children 20)	1,000	500	500
60	Punjabi Cultural Society, Cambridge - fortnightly meetings for older people, social, cultural events and trips for Punjabi residents	Fortnightly meetings (40:35 city); 2 outings (35:30 city); 2 cultural celebrations (120:108 city)	2,000	1,500	1,500
61	Salvation Army - range of services for disadvantaged people, friendship groups, food parcels, budget meals, social activities etc.	DRR 20%. 104 Mill Road CB1 2BD (240 all city)	681	671	681
62	SexYOUality - activities and support for lesbian, gay and bisexual young people; 4 weekly drop ins, one to one support, volunteering opportunities, arts projects. Training and advice to schools and other organisations	Services to support the health and wellbeing of young LGBT people 14-24; 1 to 1 support (for 25 young people, 100 hrs), weekly drop-in services (2 groups, 92 sessions, 85:55 city) advice and information, referrals, signposting, volunteering opportunities (70:45 city)	15,000	8,500	9,000
63	SexYOUality	DRR 20%. Office A, Dales Brewery, Gwydir Street, CB1 2LJ	387	396	387

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
64	The Lotus Flower School - restore and promotes Chinese customs and traditions	Weekly 2 hour sessions with traditional Chinese customs and tradition: art, calligraphy, dance and music (15:13 city) <i>Funding detail to be confirmed</i>	600	0	200
65	Turkish Kurdish Speakers in Cambridge - social, learning, educational, leisure activities for Turkish, Kurdish, Cypriot communities	10 monthly family breakfasts at Brownsfield 45-55 per session (97:95 city)	1,054	1,000	1,000
Total					91,769

Priority: CD1.3 Active Older People

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
66	Age UK Cambridgeshire - encourage older people to contribute to communities, and express choices and opinions. Seek to reduce social exclusion and isolation. Information and preventative services.	Information, advice and advocacy service based at the Cherry Trees. (1580 city)	5,524	5,000	5,500
67	Age UK Cambridgeshire	DRR 20%. Cherry Trees Club, St Matthews St, CB1 2LT	618	608	618
68	Arbury Community Association - manages Arbury Community Centre. Works in partnership with volunteers and other organisations to provide services and activities which support the most vulnerable and help build community cohesion.	Contribution towards staffing costs to enable 7 day opening (40,000:30,000 city)	2,000	2,000	2,000
69	Arbury Community Association	DRR 20%. Arbury Community Centre, Campkin Rd, CB4 2LD	1,130	1,113	1,130
70	Bermuda Community Room - local, diverse, regular meetings and activities, capacity 40	DRR 100%. Gibbons House, Histon Rd, CB4 3LL (100:80 city)	218	214	218

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
71	Cambridge Chinese Welfare Project - help Chinese elderly live socially and actively in this country and provide information and help to all Chinese in Cambridge	Weekly drop-in sessions with support and welfare x 40. Information, outings and home visiting to housebound members (30:16 city)	2,500	2,500	2,000
72	Cambridge Joint Ex-Services & Royal Mail Social Club - social entertainment and activities for all ex armed forces	DRR 20%.Barnwell Drive CB5 8RG (200:85% city)	118	118	118
73	Cambridgeshire Older People's Enterprise - support and campaign on behalf of older people and provide information, social and therapeutic activities for members	2 large forums (targeting 200-250); monthly newsletter; outings (50-70); meetings + activities in city (exercise, hobbies, speakers, consultation 15-20 average attendance); research group (2910:1440 city)	11,500	10,000	10,000
74	Cambridgeshire Older People's Reference Group - cross statutory and voluntary agency members meet regularly to consider relevant issues	Cambridgeshire Celebrates Age – contribution towards brochure, promotion and evaluation of event programme; promotion and development of local hubs, admin (website/database costs). events (10,000:6,000+ city)	5,000	5,000	5,000
75	Care Network Cambridge - support community groups who provide services to older people; Help at Home scheme enabling independence; Community Navigators scheme for older people	Project enabling older people to access transport in the city and awareness raising of transport options and establishing new community car schemes (100+ all city)	12,064	2,000	2,000
76	Indian Community and Culture Association	Over 50's activities meetings, exercise class, transport, outings, lunch and CCA event (75)	10,310	3,250	3,000
77	St Martin's Centre - social services supported day centre with lunch and activities for older and housebound people in a Christian environment	Supervision and support to up to 22 volunteers - 9 under 60; 13 over 60. <i>Other bids A&R and below</i>	750	750	750
78	St Martin's Centre	2 local outings for older people with disabilities and older volunteers (41 all city)	1,000	1,000	1,000
79	St Martin's Centre	Christmas party (75 all city)	856	820	820
80	University of the Third Age - Over 60s no longer in employment activities / courses	DRR 20%. First floor, 27-28 Bridge Street CB2 1UJ (2,592:1,633 city)	658	649	658
				Total	34,812

Priority: CD2.1 Legal Advice Services					
Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
81	Cambridge and District Citizens Advice Bureau - free, independent, confidential & impartial advice to everyone on their rights and responsibilities for problems they face. Lobby on policies & practices that affect people's lives. Advice Hub, touch screen kiosks, outreach services, Consumerhub.	Free, confidential, impartial, high quality generalist advice service to City residents primarily covering benefits, debt, employment, housing, legal and relationship, health, consumer + tax. Monitor police and practice of institutions and regulations that impact on clients and lobby to effect change for the better. (10,394:5,706 city)	200,000	200,000	200,000
82	Cambridge and District Citizens Advice Bureau	Specialist benefit advice work for City residents especially appeals at main office and City Council Customer Contact Centre	30,000	30,000	30,000
83	Cambridge and District Citizens Advice Bureau	Financial capability/education work including on a one-to-one basis and training front line workers across the city and to lobby for change using client experiences and statistical evidence	20,000	20,000	20,000
84	Cambridge and District Citizens Advice Bureau	DRR 20%. 66 Devonshire Road CB1 2BL	5,020	4,946	5,020
				Total	255,020

Priority: CD2.2 Economic Inclusion					
	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
85	Cambridge Art Salon - nurtures art and creative ideas created by the public, for the public. Unique policy of inclusion reaches out to both marginalised groups and individuals in the arts and creative sectors with a passion for the arts and creativity.	25 creative "kick-start" 1-1 sessions; 12 workshops on business start-up for imaginative people i.e. artists, social entrepreneurs and creative people (filmed for general viewing afterwards); two £500 awards to celebrate achievement. <i>Other bid A&R</i>	3,220	0	0

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
86	Cambridge Online - provide computer access, training and information targeting disabled and disadvantaged people	Training and education through access to computers for disabled and disadvantaged people. Monday to Friday, plus evening and outreach. 1000 sessions a year, 10 spaces at each. (400:264 city)	15,000	15,000	15,000
87	Cambridge Women's Resources Centre - training, support and activities to increase women's skills, confidence, motivation, self-esteem, employability, ability to make positive life choices.	Accredited ESOL training, basic skills and ICT; job search and IAG services; personalised service for vulnerable women 36 weeks of the year. Crèche facilities. (310:210 city)	50,000	50,000	50,000
88	Cambridge Women's Resources Centre	DRR 20%. The Wharf, Hooper Street, CB1 2NZ	3,944	3,886	3,944
89	Daily Bread - worker's co-operative selling wholefood, organic and fair trade goods. Support people recovering from mental disorders - offer employment in a supportive setting	DRR 100%. Unit 3 Kilmaine Close (10:2 over 60)	1,248	1,229	1,248
90	FLACK Cambridge - supports the recovery from homelessness by involving homeless people in creative activities including the production of a monthly magazine, film unit, skills training and social activities. Support re-integration into mainstream society.	1 year pilot enabling service users to create tailored personal development plan and undertake learning in life, employment and creativity skills and to find meaningful work to practice new skills. (10 city residents) <i>Contribution to pilot only</i>	10,114	1,000	5,000
91	Illuminate - training in personal development utilising coaching to hard to reach socially excluded people.	Personal development programme for 10 unemployed/low income people. 4 one to one coaching sessions for each participant (10:9 city)	2,000	1,000	1,000
92	Make, Do and Mend - workshops for people with mental health issues: development of new skills, peer support, volunteering opportunities	Low cost, strength based creative skills workshops for people experiencing or who have experienced mental distress. Providing peer support and develop links to improve social inclusion (104:80 city)	3,605	1,000	1,000

	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
93	The Phoenix Trust (Milton) Ltd - work experience and training opportunities for disadvantaged young people and adults through manufacturing and trading of concrete paving slabs and wooden garden items	Increased support for accredited qualification in employability access for adults as part of their work experience - to maximise learning and engagement (25:13 city)	5,000	1,000	1,000
94	Richmond Fellowship - local branch of specialist provider of mental health services. Support to people recovering from mental health difficulties as they access & maintain suitable employment, volunteering and training opportunities	Employment support, advice and guidance for 100 city clients with mental health problems enabling progression towards employment, voluntary work, training and education. (100 all city)	31,000	31,000	31,000
95	Richmond Fellowship	DRR 20%. 23 Signet Court, Swann Road, CB5 8LA	1,274	1,272	1,274
96	Squeaky Gate - provide accredited courses in music and the arts to learners at risk of social exclusion primarily due to mental health issues but also homelessness, ASD, offending. Performances.	Programme of sessions learning about the music business and mentoring music performances to encourage economic inclusion. (100 all city) <i>Other bid A&R</i>	7,475	5,000	5,000
97	VoiceAbility - (formerly Advocacy Partners Speaking Up) - local branch. Wide range of services to people with physical, mental and learning disabilities	Work to Success Project - 1-1 support for 8 people aged 16-25 with Autistic Spectrum Disorder to develop skills and confidence to be job ready via 1-1 mentoring and coaching (8 all city)	6,000	6,000	6,000
98	Wintercomfort for the Homeless - supports homeless or those at risk of losing homes; offer basic amenities, opportunities for educational development & recreation; range of services designed to help users achieve greater autonomy	Towards costs of Fast Forward in Food Production Programme enabling users to gain vocational skills and work experience (80:72 city)	30,117	0	5,000
				Total	126,466

Priority: CD3 Voluntary Sector Infrastructure					
Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
99	The Bath House Neighbourhood Centre (formerly Trust) - venue for community and social activities at affordable prices	DRR 20%. Gwydir Street, CB1 2LW	248	244	248
100	Business in the Community - promote responsible business practice to transform communities by tackling key social and environmental issues.	Extension of project developing a Cambridge based pro bono volunteering network of 20+ professionals creating 50+ social action opportunities leveraging pro bono support of over £20,000 (1500 all city)	10,000	10,000	8,000
101	Cambridge and District Volunteer Centre - enable people to volunteer and organisations to have good volunteering practice	Local support for individual volunteers and volunteering organisations. Core functions of brokerage, marketing volunteering, good practice development, development of volunteering opportunities, policy response and campaigning + strategic development of volunteering (2085:1442 city)	29,000	28,900	29,000
102	Cambridge Council for Voluntary Service - support for voluntary groups, provide training and one to one advice sessions, networking, voice for sector	Organisational development - capacity building for 50 city groups, health checks, quality development, one-to-one sessions, group training, crisis management. Representation, networks & communication	30,000	30,000	30,000
103	Cambridge Council for Voluntary Service	Community book keeping service for 20 city groups	5,000	5,000	5,000
104	Cambridge Council for Voluntary Service	Structured training and events programme for 40 groups	10,000	10,000	10,000
105	Cambridge Council for Voluntary Service	DRR 20%. Llandaff Chambers, 2 Regent Street, CB2 1AX	3,442	3,391	3,442
106	Cambridge Ethnic Community Forum - umbrella organisation providing race equality services for groups and individuals, cultural diversity service to promote understanding between people from different ethnic groups and be a natural part of Cambridge. Social, cultural, moral, and practical support to groups and develop projects. Holds Community Legal Service Quality Mark	Infrastructure activities including fortnightly advice sessions, meetings and surgeries to help with development or collect information about issues important to BME groups. Support for 8-12 groups. Training for 5 groups on organisational development. Civic engagement; newsletter and website. (1,200:1,100 city)	43,974	30,000	30,000

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
107	Cambridge Ethnic Community Forum	DRR 20%. The Courtyard, 21b Sturton Street. CB1 2SN	617	608	617
108	Cambridgeshire Community Foundation - build funds to make grants and manage grants on behalf of donors	DRR 20%. 2nd Floor Suite of Section Q1, The Quorum, Barnwell Road	1,775	1,749	1,775
109	Encompass Network - promote equality and diversity; eliminate discrimination for a minority sexual orientation or gender identification in Cambs. Support, empower and represent VCSOs addressing the needs of these people and act as a hub for these organisations.	Infrastructure support and representation of LGBTI organisations in Cambridge. Provide range of services and events: LGTB History Month, 4 networking events, quarterly newsletters, website, partnerships and support/advice to local groups (1,500:1,350 city)	10,000	8,000	10,000
110	Guidance, Employment and Training Ltd (The GET Group) - infrastructure support group for VCS organisations who offer guidance, employment and training to unemployed or otherwise disadvantaged people.	5 network meetings; 1 adult learning event; working on partnership projects on the delivery of learning, training and employment pathway activities. Training and workforce development. Strategic role in local development effecting funding for member organisations. (37 member groups; 30 city)	12,000	12,000	12,000
				Total	140,082

Priority: CD4 A Growing City					
Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
111	Meadows Children and Family Wing	Orchard Park family integration 4 hrs a week x 50 weeks - support to engage with local provision working in partnership with other agencies (43)	9,231	6,000	6,000
				Total	6,000

Priority: CD5 Social Enterprise

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
112	Cambridge Style Week Ltd - annual fashion and design event	Fashion Business Incubator - year long programme following Cambridge Style Week 2014 for 20 emerging designers. 12 monthly one day training sessions designed to increase business and entrepreneur skills (20:15 city) <i>Other bid A&R</i>	7,605	0	0
113	Future Business - social enterprise support agency developing the sector locally by providing business development and support, premises with affordable rents and co-location; networking.	Provide support to social enterprises 1. Starting via a new Future Possibilities programme (60 people pa); 2. Existing ones wishing to grow, stabilise or survive; 3. Support voluntary organisations to develop trading activities - workshops + rolling programme (50 individuals directly supported)	19,500	14,500	14,500
114	Future Business	DRR 10%. 47-51 Norfolk Street, CB1 2LF	1,607	1,607	1,607
115	Future Business	DRR 10%. Citylife House, Sturton Street CB1 2QF	2,607	2,067	2,067
116	Future Business	DRR The Hive Kings Hedges CB4 2HY Sept 2013 (up to 10% - £3k max)	4,000	0	3,000
				Total	21,174

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Appendix 3 – Arts and Recreation Development grant and discretionary rate relief applications 2014-15

Please see Appendix 1 for detailed descriptions of the priorities. The following recommendations are subject to confirmation of the Council's 2014-15 budget in February 2014 and, in some cases, to the receipt and verification of further information from applicant organisations (this could include projects, programmes, finances, governance etc).

- § The recommendation is for the application purpose unless otherwise stated in italic
- § Figures in brackets are numbers of beneficiaries
- § No offer is generally due to not meeting the funding priorities and/or eligibility criteria
- § DRR = Discretionary Rate Relief (actual amounts still to be confirmed)

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
1	Cambridge Art Salon - local community gallery, studios and business support to artists. Creative projects and events.	Development of Cambridge Art Walks Map into an online resource and app for public use. (3000:1500 city) <i>Other bid CD</i>	3,500		0
2	Cambridge Early Music - international educational summer schools on renaissance and baroque music; short festivals and concerts specialising in medieval, baroque music	Concerts which introduce core audience to new repertoire and new ways of performing old music (500:350 city)	3,000		0
3	Cambridge Gymnastic Academy - Classes at The Manor Community Centre for general, men's and women's artistic and preschool	Project enabling more sessions to encourage more boys and men to participate.	5,954		2,000
4	Cambridge Hindu Samaj - cultural, social and sports activities for all. Yoga, meditation and charitable activities.	Talent training for young people - classical dance and music lessons leading to assessment by Oriental Board, London or Trinity Guildhall (50:40 city) <i>Other bid CD</i>	1,000		0
5	Cambridge Kerala Cultural Association - cultural, social and educational activities for residents from Kerala, India	Children's traditional dance training on Sundays, professional tutor. Talent contest for Indian association members from East Anglia <i>Other bid CD</i>	6,655	500	0

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
6	Cambridge International Arts Programmes CIC - arts initiatives with national and local charities - development of socially-engaged artists especially those with focus of cross cultural or international relations; new audiences to the arts; celebrating international Cambridge and cross cultural understanding.	Exhibition and art trail of international, national and local art inspired by the bicycle to coincide with Tour De France in central Cambridge locality. Trail of bike art sculptures around the city (50,000:15,000 City)	8,000		3,000
7	Cambridge International Arts Programmes CIC - arts initiatives with national and local charities - development of socially-engaged artists especially those with focus of cross cultural or international relations; new audiences to the arts; celebrating international Cambridge and cross cultural understanding.	World War One project using arts to create a legacy for people from Britain's Dominions and colonies who fought alongside the British. Searching for relatives who will make a portrait of their ancestor. Exhibition of finished portrait and film to coincide with Remembrance Day. (20,000:7,000 city)	3,000		1,000
8	Cambridge Junior Cycling Club (via Cambridge Living Sport) - for children and young people operating from 3 or 4 locations around the city to improve access	Establishment of club across different locations in Cambridge - weekly activities including cyclo-cross, mountain biking, road racing (200:180 city)	8,340		3,000
9	Cambridge Sculpture Trails - enable access to sculpture in public places in Cambridge city via walks, leaflets, website, app and school activities.	Leaflet production showing sculptures in Cambridge; publicise website and app.	800	400	0
10	Cambridge Style Week Ltd - annual fashion and design event	3 day workshop stage as part of Cambridge Style Week 2015 to introduce residents to fashion, design and fashion related arts.(180:135 city) <i>Other bid CD</i>	5,925	0	0
11	Cambridge Summer Recitals - three week summer festival of classical music concerts	Youth music theatre performance to celebrate 35 years of the festival. Pied Piper of Hamelin - rehearsals + 5 day workshop ending in 2 performances at ADC. (30 x 10-14 year olds + 50 younger children)	2,000	0	0

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
12	Cambridge Summer Recitals	"Street Music" - to encourage more people to enjoy music - players on punts, flash mob opera in city centre, young artists performing. (200 per event. 1,000-1,500)	1,500	1,500	0
13	Cambridge Chesterton Indoor Bowling Club Ltd - indoor bowls cub with bar, restaurant, and disabled facilities	DRR 20%. Logan's Way Cambridge CB4 1BL	3,213	3,213	3,213
14	Classworks Theatre Ltd - youth theatre for 13-25s encouraging creativity, team work, performance skills, volunteering	Courses and workshops for children and young people - making and designing costumes, recycling old clothes, making vintage outfits, basic sewing for parents and children together, pattern cutting for beginners. Max of 6 in each course. (45 all city).	2,090		0
15	Dance Moves - offers new and enhanced skills in innovative and creative movement to those who might not otherwise consider dance	Bicycle Ballet and Beats cycling project for young people - combining cycling, dance, music and technology targeting school children x 10 weeks leading to public display at Tour de France celebration at the Big Weekend. (75 all city).	4,980	1,200	1,500
16	Forever Active - evidence based exercise programme for people aged 50+	Co-ordination and development of Forever Active within the city - set up innovative sessions for males (current only 13% of users); further establish falls programme; create partnerships with local providers to train instructors to make sessions more suitable for target groups (eg people with dementia); silver cycling project in line with Tour de France, annual promotion event linked to Tour de France (1000 all city)	15,972		6,000
17	Keep Playing (trading as Level Water) - provides free one-to-one swim teaching for disabled children who cannot easily access sport, to enable them to join mainstream classes and competitive swimming clubs.	1-1 swimming lessons for children with physical disabilities at Parkside Pools - 50 lessons for 8 children (<i>balance from other city funds</i>)	5,000		3,500

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
18	Kelsey Kerridge Sports Hall - sport facilities and opportunities for all ages and abilities	Affordable sports centre, providing concessionary rates to disadvantaged groups of residents (5890+)	35,310	16,650	16,650
20	Lifecraft - self-help user-led organisation for adults who have experience of mental health difficulties in their lives. Offer a range of activities such as art, music, singing, meditation, and a women's group which help users in their recovery	Weekly singing and music activity supporting the wellbeing of participants (12 all city)	4,500		800
21	Menagerie Theatre Company - new writing for theatre - discover and support new and emerging writers by commissioning work and bringing to production; Hotbed Festival for new writers; annual touring, training and networking.	9 x writing workshops led by professional playwrights to people at risk of exclusion from leisure activities. Culminate in participants writing short plays which will be performed at the Hotbed New Writing Theatre Festival alongside professional works acted by professional actors. Audience of specialist marketing and performance platforms. Work published online + video. (Audience 120+ :24 writers all city).	3,100		2,000
22	Museum of Cambridge (formally Cambridge and County Folk Museum) - museum of local social history providing local exhibitions, events and activities for the people of Cambridge to celebrate their local culture.	3 year programme "Cambridge life: Past & Present" - 2 new onsite exhibitions, 3 offsite temporary displays, public talks programme and partner with 8 schools each year. To increase access and encourage 5 new community groups in the creation of Museum digital and audio hub via community of 10 volunteers pa to curate and create interactive learning resources. To connect and increase new and existing audiences by 10% over 3 years and forge cultural and educational partnerships with 4 local organisations and 3 businesses pa (all city beneficiaries).	50,400	56,000	50,000

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
23	Oblique Arts - work with communities; provide multi media urban installations; workshops and various projects. Use the arts to explore questions around sustainable futures and encourage critical thinking and creative action.	Community art project around hoardings on Mill Road around the land which will be the Mosque. Refurbish, improve appearance via community mural around theme of cultural diversity.	6,125		0
24	Sport Cambridge - aim to provide a variety of free or low cost sports activities for residents of Cambridge particularly those suffering from disadvantage	Badminton at St Luke's Barn x 20 weeks x 2 hours for 5-18 year olds (50 all city) <i>Refer to area committee</i>	2,030		0
25	Sport Cambridge	Boxing and Boxercise at the Boxing Club, North Cambridge Academy for 5-18 year olds x 20 weeks x 2 one hour sessions. (50 all city) <i>Refer to area committee</i>	2,030		0
26	Sport Cambridge	Football at Nuns Way Pavilion x 20 weeks x 2 one hour sessions for 5-18 year olds (50 all city) <i>Refer to area committee</i>	1,280		0
27	Sport Cambridge	Table tennis at Hills Road Sport Centre for aged 14-21 (60 all city)	2,272		0
28	Squeaky Gate - accredited training in music and arts for socially excluded people especially those not engaging with other forms of learning - young offenders, mental health and homeless people. Perform original work in high profile settings	Week long music summer schools for young people and young adults from socially disadvantaged backgrounds.(50:45 city)	3,800		1,500
29	Squeaky Gate	Workshops leading to original musical theatre production at Southbank Centre August 14 - original rock opera to be written inspired by Syd Barrett. (20:18 city)	4,600		500

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
30	Squeaky Gate	Workshops using found objects to create and play percussion instruments leading to a garden design presented at Chelsea Flower Show around theme of the "1 in 6 Campaign" (suffer from a mental health issue) featuring music/playable elements and students will perform all week at the flower show (20:18 city)	2,460		500
31	The You Can Hub - support people with barriers to turn ideas into reality cycling project - You Can Bike Too.	Cycling project for over 55's to remember memories of cycling, reignite enthusiasm and encourage involvement in Tour de France events. 2-3 all ability cycling events targeting over 55's using adapted cycles; create video of cycling stories over 55's; recruit volunteers aged over 55. (200:160 city)	9,325	6,000	0
32	WriteOn - stages rehearsed readings of new drama, enabling writers to develop work and offering actors/directors opportunities to bring new material to life on stage for the first time. Workshops on writing, acting, directing and performance improvisation + feedback group for scripts in progress.	Green themed performance event. Introductory workshop and performance (110:66 city)	400		0
33	WriteOn	Writing, acting and other theatre skills workshops (50:25 city)	545		0
34	WriteOn	Collaborative new writing and performance project with the Scott Polar Research institute and museum (80:48 city)	558		400
					95,563

Appendix 4 – Arts and Recreation Development 3 Year Agreements

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
1	Academy of Ancient Music - professional period-instrument orchestra playing historically-informed baroque & classical music via concerts, recordings and educational work. World tours. Orchestra in residence at Cambridge University.	Seed funding for 20 pupils from a Cambridge based school to attend each concert at West Road concert hall series in 2013-14, 14-15 and 15-16 seasons. (300 children attending 15 concerts:225 city)	1,350	1,500	1,350
2	Arts & Minds - participation in and experience of high quality arts and culture to maintain mental health, wellbeing and support recovery when people become ill.	Weekly 'Arts on Prescription' sessions for 30 weeks for people with mental health problems and social gatherings in cultural venues. Celebration events and exhibitions of work produced. Referrals from GPs, social workers, and self-referral. (31 all city)	1,800	2,000	1,800
	Britten Sinfonia - world-class concerts, BBC broadcasts, creative learning projects, Residency in Cambridge - concerts at West Road Concert Hall and college chapels	DRR 15%. 13 Sturton St, CB1 2SN (11,000)	955	941	955
4	Cambridge 105 FM Radio Ltd - community radio station in Cambridge run by volunteers	DRR 20%. Unit 9a, Gwydir St Enterprise Centre, 23-25 Gwydir Street. CB1 2LG. Holds OFCOM radio licence for Cambridge. Volunteers trained to produce their own radio programmes (120:90 city)	214	212	214
5	Cambridge 99 Club Ltd - rowing club for all	DRR 20%. Boathouse, Kimberley Rd, CB4 1HJ rowing and training facilities (150:50% city)	1,112	1,095	1,112
6	Cambridge and Coleridge Athletics Club - for any ability aged 10 upwards and from 8 years via linked community clubs. Training and competitions. Sport England ClubMark	Contribution to rental of facilities at University track and Chesterton Sports Centre to provide athletics coaching, training and competition (745:326 city)	2,097	2,330	2,097

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
7	Cambridge Art Salon - local community gallery, studios and business support to artists. Creative projects and events.	DRR 15%. 29 Cromwell Rd, CB1 3EB	655	650	655
8	Cambridge Cats Basketball Club - competitive and recreational, for men women and children. 5 junior and 3 senior teams competing at local, regional and national level. Sport England Clubmark	Subsidised programme for under 16s and under 18s to compete at national level. Hardship fund for disadvantaged, predominantly BME - Philipino community (24:14 city)	1,080	1,200	1,080
9	Cambridge Cats Basketball Club	Junior programme age 8-13 (20:14 city)	495	550	495
10	Cambridge Disabled Kids Swimming Club - access to swimming for children with disabilities	Hydrotherapy pool hire x 42 sessions, instructor costs x 39 sessions. Award ceremony (36:21 city)	2,250	2,500	2,250
11	Cambridge Drawing Society - workshops, demonstrations, lectures, sketching groups and two exhibitions, one at Guildhall to promote member's work	Promote and publicise annual spring exhibition at Guildhall and autumn exhibition including young artists award (for the under 35s) and space for community art groups (3778:994 city)	450	500	450
12	Cambridge Film Trust - manages Cambridge Film Festival and promotes independent film events and special screenings	3 free non-theatrical outdoor and other indoor film events for local residents (1200:960 city)	2,700	3,000	2,700
13	Cambridge Film Trust - Cambridge Film Consortium develops a film education programme using the Arts Picturehouse as an exhibition venue. Develops media literacy and cultural skills.	Cultural film screenings, digital film courses for young people, increased cultural cinema access for young people from culturally excluded or low income families, online exhibition platform for films on YouTube/Vimeo, young film makers online community via social media traversing cultural and geographical barriers. 600 for 3 x school screenings; 36 digital film production courses; 400 screenings, 1200 website hits (2236)	4,500	5,000	4,500
14	Cambridge Modern Jazz Club - high quality and innovative jazz events	12-15 high quality concerts mainly at Hidden Rooms (1200:828 city).	2,268	2,520	2,268

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
15	Cambridge Museum of Technology Trust - industrial heritage museum in Victorian Pumping Station. Events, exhibitions, volunteering opportunities	Museum service based at the Victorian pumping station focusing on the city's industrial heritage and technological achievements. 12 public events to consolidate and improve the existing programme relating to history, environmental sustainability, science, technology, engineering, and arts. (2775:1193 city)	6,210	6,900	6,210
16	Cambridge Museum of Technology Trust	DRR 20%. The Old Pumping Station, Cheddars Lane CB5 8LD	712	707	712
17	Cambridge Summer Recitals	Free lunchtime concerts - 3 Fitz Proms (In Fitzwilliam Museum) and 4 x one hour chamber concerts (1400:100 city)	900	1,000	900
18	Cambridge University: Kettle's Yard - public gallery focusing on 20th century and contemporary art. Programme of visual arts, music and education.	3 year programme of arts/cultural activity in Arbury & Kings Hedges at Kettle's Yard and other venues across the city. 24 half day sessions working with artist of national or international standing; visits to cultural sites for young people's group "Club United" at the Meadows. Involve wider network of residents and community organisations in year 2. Participants are low income, at risk of exclusion (9,000 city)	13,500	15,000	13,500
19	University of Cambridge Museums (UCM) and Festivals - eight university museums and the Public Engagement team. Fitzwilliam - lead, Sedgwick, Zoology, Archaeology and Anthropology, Whipple, Classical Archaeology; Kettle's Yard, Polar	Free audience focussed events; targeted community outreach programme including museum visits and awareness raising of the City's cultural offer (including the University festivals); regular family events and volunteering, work placement opportunities. 1. Community programme with city schools and groups linked with Kettle's Yard's work in north Cambridge. 2. Presence at events eg Arbury Carnival and Big Weekend. 3. Museum events - summer at the museums, twilight at the museums, monthly (Saturday) and holiday family drop in events. 4. Open Cambridge, Black History series, Night at the Museums with music. (800,000:400,000 city)	25,300	25,600	25,600

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
20	Cambridge Wordfest - promote the arts of literature, language and the spoken word by supporting festivals and events. 2 literary festivals a year.	Engage more city residents in activities via targeted publicity and subsidised tickets for the spring and winter festivals (3830:1915 city)	2,025	2,250	2,025
21	Cambridgeshire Rowing Association - boathouse for affiliated and individual members.	DRR 20%. Kimberley Road. CB4 1HT	1,075	1,060	1,075
22	CB1 Poetry - poetry readings for well-known and new poets with open mike sessions	Contribution to 8 poetry events (300:180)	450	500	450
23	Changing Spaces - negotiates use of empty commercial property for use by arts for exhibitions; delivers training and education	To establish Changing Spaces as a permanent and sustainable organisation in order to deliver a programme of high quality contemporary art exhibitions and performances in accessible public locations (145:86 City)	2,250	2,500	2,250
24	Chinese Families Together - cultural and social activities for Chinese families	Fortnightly 2 hour sessions for multi sports activity at CRC (30:25 city)	900	1,000	900
25	City of Cambridge Rowing Club Amateur club for juniors and adults;	DRR 20%. The Boathouse, Kimberley Road. CB4 1HJ (204:142 city)	364	367	364
26	Cultural Arts United - develop and promote cultural arts, targeting black and minority ethnic communities	Bling Ya Ting Talent Show - 2 auditions and finals held at Corn Exchange. Performing arts project (900:80% city)	2,250	2,500	2,250
27	Dance Offensive - opportunities for young people to dance, perform and teach others	Low cost/concessionary weekly street dance classes for 7-14 year olds and for 12-18 year olds. 38 weeks pa. (350:315 city)	1,800	2,000	1,800
28	e-Luminate Foundation CIC - promotes best of Cambridge using light as a theme and a medium. Show case latest technology in clean-tech lighting. Annual festival	Towards the cost of e-Luminate Cambridge Festival	4,500	5,000	4,500

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
29	Kelsey Kerridge	2/3 of debt charges to City Council	8,413	8,413	8,413
30	Kelsey Kerridge - sport facilities and opportunities for all ages and abilities	DRR 20%. Kelsey Kerridge Sports Centre, Queen Anne Terrace. CB1 1NA	11,221	11,092	11,221
31	Libra Theatre Company - drama group for people with learning disabilities; fortnightly workshops and public performances	Public musical production. Drama workshops and activities for people with learning and physical disabilities. 2 public musical productions with 9 rehearsals (12:5 city)	675	750	675
32	Museum of Cambridge (formally Cambridge and County Folk Museum)	DRR 20%. 2-3 Castle Street CB3 0AQ	2,614	2,641	2,614
33	Pakistan Cultural Association - social, cultural, religious, welfare and sporting activities. Promote values, cohesion and integration.	Children's Cricket Sports Day (30:27 city)	90	100	90
34	Pakistan Cultural Association	Children's Football Match Day (30:27 city)	90	100	90
35	Pakistan Cultural Association	Women's Sports day (30:27 city)	90	100	90
36	Pakistan Cultural Association	2 Women's cultural and talent night (100:90 city)	450	500	450
37	Romsey Mill Trust - support for young people and families experiencing multiple disadvantages. Outreach, training, learning, sports, arts activities to promote inclusion and develop personal, social and spiritual well-being.	Weekly sports group for vulnerable young women aged 14-16 - boxing, gymnastics and jogging x 40 sessions (8 all city)	1,800	2,000	1,800
38	Rowan Humberstone Ltd - artistic training and work experience to adults with learning disabilities and those excluded from education and employment sectors	Four studios being open enabling 114 weekly placements and art related activities (62:33 city)	2,700	3,000	2,700
39	Rowan Humberstone Ltd	DRR 20% - 40 Humberstone Road, Cambridge CB4 1JG (62:33 city)	1,596	1,572	1,596
40	St Martin's Centre - Social Services supported day centre with lunch and activities for older and housebound people in a Christian environment	Twice weekly art classes x 43 weeks 8-10 older people (14 all city)	900	1,000	900

Ref	Group	2014-15 Bid Purpose	2014-15 Bid	2013-14 Funding	Offer
41	St Martin's Centre	Singing workshops for a mix of active older people and those with a degree of dementia (Up to 20 all city)	450	500	450
42	Sin Cru - dance and creative arts workshops in B-boying, music, visual art and other forms of hip hop for young people	Annual 'Sinstitute of Hip Hop Arts' event for young people for 5 days + 5 weekends culminating with end of festival showcase (90:46 city)	1,800	2,000	1,800
43	Strawberry Fair - free annual one day arts and music festival run by volunteers – for and by the people of Cambridge. Year round activities positively engaging local residents - Cambridge Band Competition, the Under 18s Band Competition, Gigs, Film Screenings and Youth Slam Poetry workshops.	Futures - a new area of the fair for young people aged 13-18 - support a series of artist led workshops and activities in youth setting prior to the fair culminating in a final celebration of the work in the new Futures area on fair day. Young people will determine the nature of the workshops. (575 all city)	1,800	2,000	1,800
44	The You Can Hub - support people with barriers to turn ideas into reality Cycling project - You Can Bike Too.	All ability cycling project at Milton Country Park - fortnightly sessions; individual bike hire opportunities; regular cycling sessions in the city (250:100 city)	5,400	6,000	5,400
45	Vision 4 Growth - VI Tennis - tennis sessions for visually impaired people at Hills Road Tennis Centre	Weekly tennis sessions x 10 at Hills Road Tennis Centre (11:9 city)	1,800	2,000	1,800
46	WriteOn - stages rehearsed readings of new drama, enabling writers to develop work and offering actors/directors opportunities to bring new material to life on stage for the first time. Workshops on writing, acting, directing and performance improvisation + feedback group for scripts in progress.	8 performances of rehearsed readings of new drama consisting of Monologues & Duologues Festival x 4; Naked Stage Festival x 4 (200:120 city)	630	700	630
TOTAL					126,981



To: Executive Cllr Community Well-being
Report by: Trevor Woollams (Head of Community Development)
Relevant scrutiny committee: Community Services 16.1. 2014
Wards affected: All

Review of Community Development and Arts and Recreation Development Grants

Key Decision

1. Executive summary

- 1.1 This report follows the Director of Customer and Community Service's report to this committee in October 2013 on the future of discretionary services. It provides the scope for the review of community development and arts and recreation development grants which, if approved, will be carried out in accordance with the Cambridgeshire Compact.
- 1.2 The review will focus on consulting voluntary and community organisations and their users about new grants priorities that will, in turn, determine how the grants budgets are allocated. The review will also ask voluntary organisations and groups about the impact on their organisation if the grants budgets were to be reduced from the 2015/16 financial year.
- 1.3 The outcome of the consultation will be reported back to this committee in the June/July 2014 committee cycle where the Executive Councillor for Community Wellbeing will be asked to agree:
 - a) New grant priorities for community development and arts and recreation development grants. The new priorities will be implemented for 2015/16 applications.
 - b) The grant budgets from 2015/16.

2. Recommendations

The Executive Councillor is recommended to agree that:

- 2.1 Officers carry out a review of the community development and arts and recreation development grants as set out in section 7 of this report.
- 2.2 Officers report back to this committee in June/July 2014 with recommendations about new grants priorities and options for future budgets.

3. Background

- 3.1 A report by the Director of Customer and Community Services to this committee in October 2013 set out proposals to review discretionary services within Community Development and Arts and Recreation and to bring the 2 service areas together under a single head of service by October 2014. The proposals included outline plans to review Community Development and Arts and Recreation Development grants in the first half of 2014. This report provides the scope for the grants review which, if approved, will be carried out in accordance with the Cambridgeshire Compact.
- 3.2 The review will focus on consulting voluntary and community organisations about proposed new grants priorities. The proposed new priorities are set out below and sit underneath an over-arching theme of "Closing the Gap" This means that when we evaluate grant applications, we should seek to prioritise those applications that can demonstrate outcomes that help people in most need.
- 3.3 Given the Council's very challenging financial environment, the review will also consult voluntary organisations and groups and individuals about the impact that reduced grants budgets might have on the Cambridge voluntary sector in general and on their particular organisation or group, should members decide to make savings from 2015/16.

4. Current position

- 4.1 Members will have just considered a report recommending community development and arts and recreation development grant awards for

2014/15. The existing priorities are appended to that report. The report assumes that the 2014/15 grants budgets are maintained at their current level and not increased by inflation.

5. Proposed Priorities and Outcomes

5.1 Given the financial pressures and increasing demands on both public sector and voluntary sector organisations, it is important for the Council to focus its discretionary spend on supporting residents with high needs, especially those with needs that are not met by statutory support from other public sector organisations.

5.2 It is also important for voluntary and community groups that we have clear grants priorities and that we are clear about the outcomes we want grant recipients to achieve. This helps to keep the application, assessment and awards processes transparent and simple to administer.

5.3 Officers are, therefore, recommending that the following draft priorities are endorsed by the Executive Councillor for Community Wellbeing for consultation with voluntary and community organisations and groups, their users and other residents.

5.4 The draft grant priorities are:

	Priority	Service area	2014/15 budget
1.	Reduce barriers to access the following:		
a	Sporting activities	Arts and Recreation (+ Area committees)	£222,550 (£18,950)
b	Arts and cultural activities		
c	Legal advice	Community Development (+ Area Committees)	£775,690 (£86,040)
d	Employment support		
e	Community development activities		
		Total	£1,103,230

5.5 In addition to the arts and recreation development grants budget shown in the table above, the Council has a 3 year funding agreement with the Junction. 2014/15 will be the third year of this agreement and the payment to the Junction in that year will be £78,894 plus discretionary rate relief. This budget is ring-fenced from the wider grants budget to meet a requirement of the Arts Council. It is proposed that the Junction should be required to apply against the new grant priorities for any funding beyond 2014/15.

5.6 Applicants will need to demonstrate that their services, projects or activities will achieve one or more of the following outcomes:

	Outcomes
i)	Improve the health and well-being of participants
ii)	Integrate communities
iii)	Help people to gain employment
iv)	Strengthen the voluntary sector in the city

5.7 If relevant, where the grant application is not for a one-off project, applicants will also need to demonstrate how they will seek to ensure that their group or organisation is sustainable beyond the period of City Council grant funding (e.g. through income generation, fund raising etc.).

6. Grants Budget

6.1 The overall budget (subject to agreement by Council) for community development and arts and recreation grants in 2014/15 is £1,103,230. At present this budget is split between arts and recreation development grants and community development grants in the proportion shown in the table at 5.4 above.

6.2 As community development and arts and recreation services are now under a single Executive Councillor and will be brought together under a single head of service later in 2014, members may wish to consider pooling this budget. This would enable members to allocate the budget to the applications that can most effectively demonstrate they meet the priorities and desired outcomes. So one year the percentage budget allocated to “arts and sports” grants might increase if there was a particular need and more applications were received for grants that delivered arts and sports activities. The next year there may be a much higher need for legal advice and so a higher percentage of the budget might be directed towards applications that address this need.

6.3 Due to the financial pressures faced by the Council, it is recommended that voluntary and community organisations and their users are also consulted about possible reductions to the overall grants budget. We would need to make it clear that any reduction in the grants budget would not necessarily be applied uniformly across all groups applying for funding.

6.4 In order for grant applications to be considered for funding, groups would need to clearly demonstrate why and how their service, activity

or project meets the Council's new (at this stage proposed) community development and arts and recreation development grant priorities (which will be much more focused on support for residents with the highest needs) and why and how it will achieve the Council's grant outcomes. The funding would be targeted at those groups that best demonstrated they could meet the grant priorities and achieve the outcomes.

6.5 It is proposed that the consultation also asks voluntary and community organisations and their users to give feedback about the impact of 3 options:

- a) A budget reduction of 10% (this would provide a saving of £110,316)
- b) A budget reduction of 20% (this would provide a saving of £220,632)
- c) A budget reduction of 30% (this would provide a saving of £330,948)

7. Review Process

7.1 In order to comply with the Cambridgeshire Compact and implement any changes to priorities and/or budgets in time for the 2015/16 financial year, the review process will need to start immediately. An outline timetable for the review is shown below. The process for implementing changes following the review will be confirmed at this committee's meeting in June/July 2014:

Key Action / Activity		Date
Exec Cllr agrees draft priorities	Community Services Scrutiny	16 Jan 14
Consultation with voluntary and community organisations on revised priorities	12 weeks	27 Jan to 25 Apr 14
Elections		22 May 14
Exec Cllr agrees new priorities and any budget savings for 2015/16	Community Services Scrutiny	Jun/July 14
Grants applications invited for 2015/16. Voluntary and community organisations informed about new priorities and any budget savings.	Officer process	Aug – Sept 14
Grants assessed	Officer process	Oct – Nov 14
Final scrutiny report with grant award recommendations circulated to grant applicants	Officer process	Dec 14
Exec Cllr agrees grants awards for 2015/16	Community Services Scrutiny	Jan 15
Area Committee awards agreed for 2015/16	1 report to each area committee	March/Apr 15

7.2 The consultation phase will include sending a consultation paper to all voluntary and community organisations that have received grants funding within the last 3 years. The consultation paper will also be distributed through Cambridge Council for Voluntary Services, Cambridge Ethnic Community Forum and other umbrella organisations to groups who may not have applied for funding before. It will also be placed on the Council's website, promoted through Shape Your Place and via twitter, and made available at our community and sports centres so that residents can respond. The paper will include:

- A brief introduction stating why the Council is reviewing its grants priorities and budgets
- details of the current grants priorities and budgets
- details of the proposed grants priorities and possible budget options (as set out in this report)
- A request for feedback asking voluntary and community organisations and residents for their views on how the proposed priorities and budget options would impact on the work of their particular organisation or group.

7.3 Officers will also arrange 2 consultation workshops (one daytime and one evening) where voluntary and community organisations will be invited to attend to discuss the proposed priorities and possible budget options. The workshops will need to take place before the end of March 2014 to avoid the election purdah period.

7.4 It is proposed that a small 'observation' group be set up to work alongside officers through this process, hear at first hand the views of voluntary groups at the workshops and observe the evaluation of consultation feedback. It is proposed that this group comprise:

The Executive Councillor for Community Wellbeing
The opposition Spokes for Community Wellbeing
The Chief Executive of Cambridge Council for Voluntary Services

8. Implications

(a) Financial Implications

The review will be carried out within existing budgets. Any reductions to the community development and /or arts and recreation development budgets from 2015/16 will be agreed by the Executive

Councillor for Community Well-being at Community Services Scrutiny Committee in the June/July 2014 cycle.

(b) Staffing Implications

There is a heavy workload within community development and arts and recreation due to work to deliver significant savings over the next 12 to 18 months and preparatory work for the merger of the 2 service areas under a single head of service by October 2014. This review will also need to be prioritised for staff within the grants team.

(c) Equal Opportunities Implications

An initial Equalities Impact Assessment has been carried out on the review process. The main impacts and mitigation are:

- i) That we need to ensure we give all voluntary groups and their users an opportunity to feed back their views, not just those we currently fund. We will do this by working with umbrella groups such as CAB, CCVS, CECF and CAN to ask them to disseminate consultation papers to their member groups and individuals.
- ii) That we also give individual residents and members the chance to respond. We will do this by publishing consultation papers on the city council's website and promoting them through social media. We will also place consultation papers in community centres and other public buildings such as sports centres, libraries etc.
- iii) That we need to provide opportunities for groups to have face to face discussions with officers and other groups so that options can be considered and debated. We will do this by holding 2 workshops (one in the day time and one in the evening). The workshops will be promoted as above. They will be held in accessible venues with hearing loops to accommodate people with disabilities. Officers will also be available (subject to demand) to attend meetings called by individual groups to discuss the proposals.
- iv) Some groups may need support to understand the consultation and respond – for example, some BME groups may not speak English. We will work with umbrella organisations to try and ensure such groups are supported – e.g. Muslim women's groups through CECF, disability groups through Age UK, COPE or LGB and T groups and individuals through Encompass.
- v) It may prove difficult to consult young people using the methods above. We will use ChYpPS to disseminate

information through their contacts and via the ChYpPS Facebook site. We will also seek the support of groups such as Romsey Mill, Centre 33 and Young Lives to seek the views of young people.

- vi) We will also ensure that voluntary groups supporting people on low incomes are consulted including CAB, CCVS and the local credit unions.

The EQIA has been published on the Council's website at this link:
<https://www.cambridge.gov.uk/equality-impact-assessments>

A detailed Equalities Impact Assessment on the proposed priorities and the impact on any proposed budget reductions will be informed by the consultation process and carried out at the end of the review. This will be included with the scrutiny report to members in June/July 2014 so that its content and conclusions can be taken into account when a decision on any changes is made.

(d) Environmental Implications

None for community development or arts and recreation grants.

(e) Consultation and Communication

This is set out in the report.

(f) Procurement

None. The Council's approach to grant aid through community development and arts and recreation grants is via an application process rather than through the direct commissioning of services.

(g) Community Safety

None

9. Inspection of papers

Previous report to Community Services Scrutiny Committee:

Future Options of Discretionary Services – Report to Community Services Scrutiny Committee on 10 October 2013.

<http://mgsqimh01/documents/g999/Public%20reports%20pack%2010th-Oct-2013%2013.30%20Community%20Services%20Scrutiny%20Committee.pdf?T=10>

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

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To: Executive Cllr Community Well-being
Report by: Trevor Woollams (Head of Community Development)
Relevant scrutiny committee: Community Services 16.1. 2014
Wards affected: Trumpington

Clay Farm Multi-Use Centre – Management Proposal

Key Decision

1. Executive summary

- 1.1 The Council is developing a new multi-use community facility, with partners, at Clay Farm. It is due to open in 2015.
- 1.2 This report proposes that, subject to finalising appropriate legal agreements and agreeing appropriate financial arrangements with partners, the City Council and County Council should set up a management company to run the new centre.

2. Recommendations

The Executive Councillor is recommended to agree that:

- 2.1 The decision to complete appropriate legal agreements and set up a management company with the County Council to run the planned Clay Farm Multi-use Centre is delegated to the Director of Customer and Community Services, subject to:
 - a) Agreement of lease arrangements and financial contributions with partners.
 - b) Prior consultation with the Head of Finance, Head of Legal Services, Executive Councillor and Spokes for Community Well-being and Chair of Community Services Scrutiny Committee.

3. Background

- 3.1 The March 2013 report to this committee set out proposals to pursue options for establishing a management company to run the new multi-use centre at Clay Farm. The Executive Councillor endorsed this approach.
- 3.2 To recap, the centre is being built by the City Council. Delivery is being managed by a Project Board comprising partners (including Trumpington Resident's Association) and led by the Head of Strategic Housing. A design partner, ADP Ltd. has been working with partners on the design and at the time of writing this report, a planning application is imminent. The centre is due to open in late 2015.
- 3.3 The idea of a management company evolved from a stakeholder event including residents and to consider shared operational needs in November 2012. The main message from this event was that stakeholders wanted the centre to be seen as a unified facility and not just a collection of different services.
- 3.4 Under the proposal, the centre will remain in the ownership of the City Council but will be leased to the management company with its own Articles of Association. The management company will sub-lease the housing element (third and fourth floors) to Bedfordshire Pilgrims Housing Association, the second floor to the health partner (for use as GP surgeries) and some office space on the first floor to the police for their touchdown space. The rest of the first floor will be community meeting / activity rooms and a reading area. The ground floor will include a library, community hall, large meeting / activity room and a café. The company may lease the café to a social enterprise or charitable organisation or run it themselves.
- 3.5 The management company Board would comprise a small number of Directors (to be agreed) nominated by the City and County Councils. The City Council would have the majority of Director nominations. Partners would also want the ability to co-opt a small number of other stakeholder representatives (non-voting) onto the Board. For example, a representative from the GP practice and the local Resident's Association.
- 3.6 There are still some detailed negotiations to complete around lease arrangements and financial contributions such as the cost of service charges and their fair apportionment across partners before we will be in a position to establish the management company. These will all need to be finalised with legal agreements in place before a construction contract is signed.

- 3.7 The City and County Councils will be required to make a revenue contribution from September 2015 to cover the net running costs of the community rooms and library and a share of the running costs of the common areas. This was flagged up in last year's Medium Term Strategy and the 2013 Mid-Year Financial Review. The amount of the City Council's contribution will be known once the negotiations with partners have been concluded. This sum will be fed into the 2014 Mid-Year Financial Review and budget setting process for 2015/16.
- 3.8 There are likely to be resource implications for the City Council's Finance team in terms of how the management company is accounted for within the City Council's accounts because the City Council will have the power to appoint the majority of the company's Directors. Further work and advice will be required on this issue from Finance and our External Auditors once the negotiations around leases and cost apportionments have been concluded.

4. Implications

(a) Financial Implications

Any legal costs incurred in setting up the management company will be met by the project budget for delivering the Multi-Use Centre.

The Council will need to make a revenue contribution from September 2015 to the management company to cover the net cost of running the community rooms and a share of the cost of running the common areas. This has been flagged up previously in the 2012 MTS and the 2013 Mid-Year Financial Review.

There are likely to be some resource implications within Finance in terms of ensuring the management company's accounts are aligned with the City Council's accounting procedures.

(b) Staffing Implications

It is anticipated that the management company will either employ its own staff and/or contract services out to others. There are no implications identified for existing staff at this stage apart from resource implications for the Finance team highlighted above.

Whether the management company directly employs staff or contracts out services, every effort should be made to ensure any staff working at the centre for the management company are paid the living wage.

(c) Equal Opportunities Implications

An EQIA has been completed for the new centre and has informed the design which, at the time of writing, is nearing completion. A planning application should have been submitted by the time of the scrutiny committee meeting. The centre design has also been considered by the Council's Access group as part of the pre-application process.

In terms of the proposals to set up a management company, which is the focus of this report, the EQIA has highlighted that we will need to ensure that the staff employed by the management company (either directly or through a contractor) are competent and that they take equality issues into account when setting operational procedures such as:

- Hire policy and pricing
- Café operation e.g. range of type of food and drink.
- Safe operation e.g. ensuring corridors are clean and free of obstruction.
- Hearing loops are maintained and available.
- Lifts are clean and maintained.
- Accessible toilets and baby changing areas are cleaned and maintained
- buggy parks are clean and well maintained
- People with special needs are assisted e.g. escorted to the GP surgery.

The EQIA can be found on the Council's website at:

<https://www.cambridge.gov.uk/equality-impact-assessments>

(d) Environmental Implications

None in terms of the management company

(e) Consultation and Communication

There has been extensive consultation with residents and stakeholders over the design of the building. Stakeholders and residents, including Trumpington Residents Association, have been consulted over management arrangements at a

stakeholder workshop and informed about proposals through the Southern Fringe Community Forum which is chaired by Councillor Blackhurst from Trumpington ward.

Members of this scrutiny committee endorsed the approach of a management company in March 2013.

(f) **Procurement**

Procurement relating to the design and delivery of the Multi-Use Centre will be carried out by the Head of Strategic Housing.

(g) **Community Safety**

None

5. Inspection of papers

Previous reports to Community Services Scrutiny Committee:

Future Management of the Council's Community Centres – March 2013
<http://democracy.cambridge.gov.uk/documents/g542/Public%20reports%20pack%2014th-Mar-2013%2013.30%20Community%20Services%20Scrutiny%20Committee.pdf?T=10>

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

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