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## Cambridge City Council

### COMMUNITY SERVICES SCRUTINY COMMITTEE

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

**Alternates:** Councillors Brierley, Todd-Jones and Marais

**Executive Councillor for Community Wellbeing:** Councillor Brown

**Executive Councillor for Housing:** Councillor Smart

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

*Despatched: Monday, 3 March 2014*

**Date:** Thursday, 13 March 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 - 30*)

To approve the minutes of the meeting on 16<sup>th</sup> January 2014.

## **4 PUBLIC QUESTIONS (SEE INFORMATION BELOW)**

### **Items for decision by the Executive Councillor, without debate**

These Items will already have received approval in principle from the Executive Councillor. The Executive Councillor will be asked to approve the recommendations as set out in the officer's report.

There will be no debate on these items, but members of the Scrutiny Committee 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.

### **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 of the Executive Councillor for Housing**

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

#### **Exclusion of the Press and Public**

It is recommended that the committee resolves to exclude the press and public during item 5 by virtue of paragraph(s) 1, 2 & 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

## **5 COMPULSORY PURCHASE OF EMPTY DWELLINGS**

#### **Exclusion of the Press and Public**

It is recommended that the committee resolves to exclude the press and public during item 6 by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

## **6 COMPULSORY PURCHASE ORDERS - COUNCIL NEW BUILD PROGRAMME**

## **7 HOUSING PORTFOLIO PLAN 2014/15 (Pages 31 - 44)**

**8 HOMES & COMMUNITIES AGENCY AFFORDABLE HOUSING PROGRAMME 2015-18 GRANT BID (Pages 45 - 58)**

**Key Decision Not Included on the Forward Plan: Notice**

The following item on the agenda relates to a key decision that has not been included on the Forward Plan. However, it is impractical to defer the decision to allow for its inclusion in the next Forward Plan.

**9 LEASE OF HOUSING LAND - EASTFIELDS, CHESTERTON (Pages 59 - 64)**

This item is included on the agenda by way of formal notice to the Chair, to the Group Spokespersons, to other members of the Committee and to the public that the Executive Councillor is being asked to make this decision.

<b>Decisions of the Executive Councillor for Community Wellbeing</b>
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**Items for debate by the Committee and then decision by the Executive Councillor**

**10 COMMUNITY WELLBEING PORTFOLIO PLAN 2014/15 (Pages 65 - 76)**

**11 SPORTS & PHYSICAL ACTIVITY PLAN 2014-2017 (Pages 77 - 88)**

**12 PROPOSAL FOR USE OF INDOOR SPORTS DEVELOPER CONTRIBUTIONS: CITY OF CAMBRIDGE SWIMMING CLUB (Pages 89 - 92)**

**13 ARRANGEMENTS FOR EVENT BOOKING FEES (Pages 93 - 96)**

**14 FUTURE MANAGEMENT ARRANGEMENTS FOR CAMBRIDGE FOLK FESTIVAL AND CAMBRIDGE CORN EXCHANGE (Pages 97 - 110)**

## Information for the Public

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## COMMUNITY SERVICES SCRUTINY COMMITTEE

16 January 2014  
1.30 am - 4.38 pm

**Present:** Councillors Kerr (Chair), Blackhurst (Vice-Chair), Johnson, Kightley, Moghadas, Price 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

Principal Accountant (Services): Chris Humphris

Head of Arts and Recreation: Debbie Kaye

Head of City Homes: Robert Hollingsworth

Head of Community Development: Trevor Woollams

Head of Strategic Housing: Alan Carter

Business Manager/Principal Accountant: Julia Hovells

Housing Advice Service Manager: David Greening

Sport and Recreation Manager: Ian Ross

Environmental Health Manager – Commercial: Yvonne O'Donnell

Head of Community Development: Trevor Woollams

Arts and Events Manager: Elaine Midgley

Committee Manager: Toni Birkin

## FOR THE INFORMATION OF THE COUNCIL

### 14/1/CS Apologies

There were no apologies.

### 14/2/CS Declarations of Interest

Item Number	Name	Interest
14/08/CS	Cllr Bird	Personal: Tenant of Cambridge Housing Society
14/15/CS	Cllr Bird	Personal and Prejudicial:

		Associated with a group that receives a grant. Withdrew from the discussion and did not vote on this item.
14/15/CS	Cllr Johnson	Personal and Prejudicial: City Council representative on the Board of East Barnwell Community Centre. Withdrew from the discussion and did not vote on this item.
14/15/CS	Cllr Blackhurst	Personal: Member of Trumpington Residents Association

### **14/3/CS Minutes**

The minutes of the meeting of the 10<sup>th</sup> October 2013 were approved and signed as a correct record.

### **14/4/CS Public Questions (See information below)**

There were no public questions.

### **14/5/CS Decisions Taken by Executive Councillor**

#### **5a Buy Back Dwelling Sold under Right to Buy**

The decision was noted and officers presented an update. The property in question had been sold on the open market before the re-purchase could be completed.

### **14/6/CS Housing Portfolio Revenue and Capital Budgets 2013/14 (Revised), 2014/15 (Estimate) and 2015/16 (Forecast)**

#### **Matter for Decision:**

The report detailed the budget proposals which relate to this portfolio that are included in the Budget-Setting Report (BSR) 2014/15 to be considered at Strategy & Resources Scrutiny Committee on 20 January 2014.

The Executive Councillor was asked to approve the proposals as shown in the appendices of the officer's report.



**Decision of Executive Councillor for Housing:**

The Executive Councillor resolved to:

**Review of Charges:**

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

**Capital:**

- ii. Approve, where relevant, project appraisals (shown in Appendix D of the Officer's report).
- iii. Seek approval from the Executive to carry forward resources from 2013/14, (detailed in Appendix C of the Officer's report), to fund re-phased capital spending.

**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/Principal Accountant regarding the Housing Portfolio Revenue and Capital Budgets.

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.

**14/7/CS Housing Revenue Account Budget Setting Report****Matter for Decision:**

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.

The HRA Budget-Setting Report provided an overview of the review of the key assumptions. It set out the key parameters for the detailed recommendations

and final budget proposals, and was the basis for the finalisation of the 2013/14 revised and 2014/15 budgets.

The resulting recommendations referred to the strategy are outlined in the HRA Budget Setting Report.

### **Decision of Executive Councillor for Housing:**

The Executive Councillor resolved to recommend to Council:

#### **Treasury Management**

- i. 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**

- ii. Approve the 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.
- iii. Approve the 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.
- iv. Approve the 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 was too early to move to a full investment standard.
- v. Approve the 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 had not yet been finalised.
- vi. Approve the 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.
- vii. Approve the 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.

- viii. Approve the 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.
- ix. Approve the revised Housing Capital Investment Plan as shown in Appendix M of the HRA Budget Setting Report.
- x. Approve a provisional addition to the Housing Capital Allowance of £30,591,000 in respect of anticipated qualifying expenditure in 2014/15.

**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/Principal Accountant regarding Housing Revenue Account Budget Setting Report.

The Director of Customer and Community Services, reminded the Committee of the procedural process for considering the Labour Group Amendment.

In response to questions from the Committee, officers confirmed the following:

- i. Technological improvements were taken into account when considering the boiler replacement strategy.
- ii. The major voids budget bid was higher than normal as the intention was to address long standing problems with a dwelling that was in poor repair and presented access problem. Value for money would be considered as part of the project appraisal.
- iii. The set aside sum for the repayment of debt was considered viable but was reviewed regularly.

Councillor Price proposed the Labour Group Amendment and outlined the proposal as per the report.

Diane Best raised concerns that the proposal could have unforeseen consequences for leaseholders. She was concerned that the shift from Decent Homes work to communal areas would add to leaseholder costs. The Business Manager/Principal Accountant confirmed that this would be the case if additional fencing was considered for specific areas. Cost of under £250 per unit would be incorporated into the annual services charge. Higher spends would be subject to the normal consultation process.

The following comments were made in relation to the proposed increase in the budget for fence repairs:

- iv. Some Councillors reported that this was the number one complaint from tenants whilst other Councillors had not been made aware of any problems.
- v. The competing needs of various elements within the budget were debated.
- vi. Some members suggested that poor fencing resulted in neighbour disputes, problems with animals and reduced quality of life.
- vii. There was no clear estimate on the level of unmet fencing need as this would be dependant what level of provision was deemed appropriate.

The Committee considered the affordability of the proposals and the impact on long term debt. Councillor Price stated that the proposals were affordable and that the current situation put the long term need for more housing ahead of the needs of existing tenants. The Executive Councillor expressed concern that any increased spend in one area would result in a corresponding decrease in another.

On a show of hands the vote for the Labour Group Amendment was tied at 4 votes to 4 and lost on the Chair's casting vote.

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

The Executive Councillor approved the recommendation.

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

Not applicable.

**14/8/CS Housing General Fund Grants to Voluntary Organisations 2014-16**

**Matter for Decision:**

To consider the review of 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 to consider recommendations to continue to grant fund the organisations during 2014/15 and 2015/16.

**Decision of Executive Councillor for Housing:**

The Executive Councillor resolved:

- i. 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 the Officer's report
- ii. To note, the proposed Department for Communities and Local Government (DCLG) Homelessness Prevention Grant budget allocation for 2014-15

**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 Housing Advice Service Manager regarding the Housing General Fund Grants to Voluntary Organisations 2014-16. He updated the Committee on recent reductions in the Homelessness Prevention Grant received from DCLG.

The Committee expressed concerns about the impact of inclement weather on rough sleepers and the status of the Severe Weather Emergency Provision budget. The Executive Councillor confirmed that, although the budget was no longer ring fenced, a decision had been made to maintain it. In addition, the Officer confirmed that there was some flexibility regarding the weather event triggers and additional spending.

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.

**14/9/CS Council New Build - Estate Management Strategy**

**Matter for Decision:**

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

### **Decision of Executive Councillor for Housing:**

The Executive Councillor resolved:

- i. 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.
- ii. 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.

### **Reason for the Decision:**

As set out in the Officer's report.

### **Any Alternative Options Considered and Rejected:**

- i. 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.
- ii. For the Council to manage the AH together with any adjacent estate whilst a management company manages the market housing dwellings.

### **Scrutiny Considerations:**

The Committee received a report from the Head of Strategic Housing regarding Estate Management of Council New Build sites. The Committee welcomed the report and supported the proposals.

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.

**14/10/CS Shared Ownership Review****Matter for Decision:**

A review of the Council's shared ownership service had been carried out 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.

The report 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.

**Decision of Executive Councillor for Housing:**

The Executive Councillor resolved:

- i. That the Council continues to provide a shared ownership scheme.
- ii. 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:
  - a) Buy back and sell a share to another applicant, or
  - b) Buy back to use as rented stock, or
  - c) Buy back and sell the whole property on the open market, or
  - d) Advise the seller to sell their share on the open market.
- iii. That the criteria to take into account in the decision on what to do with an individual property under paragraph ii above should be as follows:
  - a) The costs to the Council of each of the options, the funding available, and the potential impact on the Business Plan;
  - b) 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.

- c) Rental and shared ownership demand for that particular type or size of property;
  - d) The condition of the property;
  - e) Whether the property is in a specific location that could free up land or access to land, or otherwise facilitate affordable housing development;
  - f) The anticipated capital receipt (subject to pooling requirements);
  - g) Housing market conditions at the time, including mortgage availability;
  - h) Any planning restrictions which may apply (eg s106 restrictions around disposal on the open market);
  - i) 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.
- iv. That shared ownership homes are provided on 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 Council's Local Plan and Affordable Housing Supplementary Planning Document. On sites under the Council's Affordable Housing Development programme where the tenure mix has already been agreed, properties already planned to be provided for rent will not be provided as shared ownership.
- v. 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.
- vi. That the policy at paragraph v. 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.
- vii. That new eligibility criteria are introduced for applying for shared ownership housing as follows:



- a) 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);
  - b) 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.
- viii. 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:
- a) Applicants who have the resources to go ahead with a purchase;
  - b) Applicants who live or work within the City;
  - c) Level of need, assessed in line with the Council's Lettings policy in place at the time;
  - d) Date of registration on the Help to Buy register.
- ix. 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.
- x. 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.
- xi. That staircasing be promoted where it makes business sense to do so (subject to pooling requirements).
- xii. 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.
- xiii. To agree the option of using individual HRA rented properties for shared ownership in appropriate circumstances.
- xiv. 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.

- xv. That leases are reviewed for new leaseholders in conjunction with drafting of leases for newly developed shared ownership properties.
- xvi. That the marketing of shared ownership properties be improved.
- xvii. That information provided to leaseholders about their and the Council's rights and responsibilities be improved.
- xviii. 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.
- xix. 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.

**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 Housing Strategy Manager regarding the Shared Ownership Review.

The report was welcomed and the Committee agreed that shared ownership was important and added to the mix of residents on any given site. However, some concern was expressed regarding the provision of shared ownership properties reducing or diluting the provision of social housing for rent – particularly on the Councils redevelopment sites. The Committee discussed adding additional wording to the recommendation to make the commitment to social rented properties explicit.

The Director of Customer & Community Services and the Head of Strategic Housing were concerned that this needed to be worded carefully to ensure it did not cause problems at a later date. Each scheme was judged on its merits for smaller sites, an inflexible approach would be counter-productive. The Director of Customer and Community Services suggested that the Executive

Councillor, Chair and Spokes propose some wording to be added to item (iv) of the recommendations to address the concerns of the Committee. Additional wording to be agreed with officers.

The Committee resolved unanimously to endorse the recommendations subject to the above revisions.

The Executive Councillor approved the recommendation.

### **Post Meeting Notes**

On the 10<sup>th</sup> February 2014 the Chair, Executive Councillor and Spokes agreed that the following wording be added to recommendation (iv).

*On sites under the Council's Affordable Housing Development programme where the tenure mix has already been agreed, properties already planned to be provided for rent will not be provided as shared ownership.*

### **14/11/CS Scheme Specific Approval - Quads (Council Land At Clay Farm).**

#### **Matter for Decision:**

The report presented the final scheme submitted for planning approval on the Quad development at Clay Farm; the cost of the Affordable Housing (AH) and how it could be funded.

The report highlighted 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.

#### **Decision of Executive Councillor for Housing:**

The Executive Councillor resolved:

- i. To note the scheme submitted for the planning application.
- ii. To note the cost of the AH and approve the total budget for the scheme.
- iii. To approve that Shared Ownership will comprise no more than 25% of the AH delivered on the Quad development.
- iv. 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 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.

**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 Scheme Specific Approval for the Quads (Council Land at Clay Farm).

The Committee expressed support for the quality of the design of the scheme. The Committee agreed that intermediate housing to be delivered as shared ownership, was an important part of the tenure mix of the scheme.

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.

**14/12/CS Unlawful Eviction and Harassment Policy****Matter for Decision:**

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 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

This policy allows the Council to take a structured approach in dealing with unlawful eviction and harassment cases that are reported.

### **Decision of Executive Councillor for Housing:**

The Executive Councillor resolved:

- i. To adopt the Unlawful Eviction and Harassment Policy attached in Appendix 1 of the report.
- ii. To delegate to Head of Refuse and Environment authorisation to deal with Unlawful Eviction and Harassment as outlined in paragraph 3.10 of the officer's report.

### **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 Environmental Health Manager regarding the Unlawful Eviction and Harassment Policy.

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

- i. The policy was welcomed but only addressed part of the problem.
- ii. Legal action taken by some landlords were also undesirable.
- iii. Tenancy sustainment work was welcomed.

- iv. The Committee express support for the planned publicity for the policy.
- v. The absence of an EqIA was questioned and the Officer confirmed that this was in hand.

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.

**Notice of Key Decision Not Included on the Forward Plan**

The Chair ruled that the following key decision be considered despite not being included on the Forward Plan published on 1 December 2013. It was impractical to defer the decision to allow for its inclusion in the next Forward Plan.

**14/13/CS Supporting People Community Budgeting Model for Older People in the City**

**Matter for Decision**

The City Council had been invited to work in partnership with the County Council to deliver a district wide support service to all older people in Cambridge.

As the new co-operation agreement had changed to a tenure neutral support service, consideration of the proposals by members of Community Services Scrutiny Committee was needed, prior to any decision by the Executive Councillor for Housing.

**Decision of Executive Councillor for Housing**

The Executive Councillor resolved:

- i. To authorise the Director of Customer & Community Services, subject to both financial and operational viability, to enter into a co-operation agreement with the County Council to deliver support services for older people across the district.

**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 Manager Temp Housing and Housing Support regarding the Supporting People Community Budgeting Model for older People in the City.

The Committee welcomed the proposals.

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.

**14/14/CS Community Wellbeing Portfolio Revenue and Capital Budgets 2013/14 (Revised), 2014/15 (Estimate) and 2015/16 (Forecast)****Matter for Decision:**

The Officer's report detailed the budget proposals which relate to this portfolio that are included in the Budget-Setting Report (BSR) 2014/15 to be considered at Strategy & Resources Scrutiny Committee on 20 January 2014.

**Decision of Executive Councillor for Community Wellbeing:**

The Executive Councillor resolved to:

**Review of Charges:**

- i. Approve the proposed charges for this portfolio's services and facilities, as shown in Appendix A of the Officer's report.

**Capital:**

- ii. Seek approval from the Executive to carry forward resources from 2013/14, as detailed in Appendix C of the Officer's, to fund re-phased capital spending

**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 Principal Accountant regarding the Community Wellbeing Portfolio Revenue and Capital Budgets Proposals 2013/14 to 2017/18.

Some members expressed disappointment at the level of cuts being proposed for the Children and Young People's Participation Service. The Executive Councillor stated that the savings were necessary and were not a reflection on the quality of the work of the team. She also stated that even after the savings, the provision was still generous when compared to other authorities.

Concerns were raised about increased charges proposed for the Village Centre in Cherry Hinton and questioned how the rates had been arrived at. Officers explained that rises were inflation driven and were then rounded up or down to what was considered reasonable.

The Committee questioned the withdrawal of the S106 funding element of the Splashpacks scheme. The Sport and Recreation Manager confirmed that this had gone out for tenders but none of the tenders met the requirements of the S106 regulations. Therefore this element of the proposal had been withdrawn and the allocated funding had been returned to the Area Committee budgets for re-allocation.

The Executive Councillor reminded the Committee that many of the services in the portfolio should be viewed as commercial and therefore, it was reasonable to expect users of those services to cover the costs.

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

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/15/CS Community & Arts and Recreation Development Funding to Voluntary and Not-for-profit Organisations 2014-15**



**Matter for Decision:**

This report made recommendations for 2014-15 Community Development and Arts and Recreation Development funding to voluntary and not-for-profit organisations and sought approval for an efficient and consistent approach across the authority for the approval of grant awards.

**Decision of Executive Councillor for Community Wellbeing:**

The Executive Councillor resolved:

- i. 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 the Officer's 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.
- ii. To approve the increase in delegated powers relating to the approval of community and arts and recreation development grant awards as follows:
  - a. Awards up to and including £5,000 to be approved by officers
  - b. 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
  - c. Awards above £10,000 to be approved by the Executive Councillor following consideration by the relevant scrutiny committee

**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 Operations and Resources Manager regarding the 2014-15 Community and Arts and Recreation Development Funding to Voluntary and No-for-Profit Organisations.

The Committee asked for clarity on discretionary rate relief and how this linked to the use of the building. The Officer explained that this was not dependant on

the building being available for community use as this might not be appropriate for some services that were in receipt of grants.

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.

**14/16/CS Review of Voluntary Sector Grants**

**Matter for Decision:**

The report followed the Director of Customer and Community Service's report to this committee in October 2013 on the future of discretionary services. It provided the scope for the review of community development and arts and recreation development grants which, if approved, would be carried out in accordance with the Cambridgeshire Compact.

**Decision of Executive Councillor for Community Wellbeing:**

The Executive Councillor resolved that:

- i. Officers would carry out a review of the community development and arts and recreation development grants as set out in section 7 of the Officer's report.
- ii. Officers would report back to this committee in June/July 2014 with recommendations about new grants priorities and options for future budgets.

**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 Review of voluntary Sector Grants.

Concerns were raised that some groups might find the consultation process confusion and that the option offered did not cover all eventualities. The Head of Community Development stated that some groups might be able to offer a better fit with the new priorities and might gain from the process. He suggested that the public needed to respond to the proposals in general while groups needed to respond to the likely impact on their service individually. They would be helped to do this via the planned workshops. He further stated that the key message was that groups should focus on the priorities and outcomes rather than the amount of grant.

Councillor Johnson requested that the following wording be added to the table in 5.6 of the Officer's report: *To improve the health and wellbeing of participants and to address inequality*. Councillor Brown stated that this was the main priority of the report and that additional working to the report was not necessary. Councillor Brown agreed to discuss this further with Councillor Johnson outside the meeting and to agree additional wording to be added to the consultation document if necessary.

Councillor Blackhurst proposed an amendment to the report with an additional paragraph being added to section 5 of the report, Proposed Priorities and Outcomes, as follows:

New 6.4 (existing 6.4 becomes 6.5, and so on)

*The City Council recognises the crucial role played by legal advice services, such as the Citizens' Advice Bureau, at a time when many people are facing potential hardship and the benefits system is under pressure. It is proposed that future grant allocation is done on the basis that legal advice services are a key priority for funding, and consultees will be invited to comment and this priority.*

The amendment was agreed *nem con*.

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.

**14/17/CS Clay Farm Multi Use Centre - Management Proposal**

**Matter for Decision:**

The City Council is developing a new multi-use community facility, with partners, at Clay Farm. It is due to open in 2015.

The report recommended 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.

**Decision of Executive Councillor for Community Wellbeing:**

The Executive Councillor resolved that:

- i. 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 was 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.

**Reason for the Decision:**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected:**

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.

**Scrutiny Considerations:**

The Committee received a report from the Head of Community Development regarding the Clay Farm Multi Use Centre Management Proposal.

Members queried the composition of the planned management structure and were satisfied that proposals would ensure a robust Board with a range of

experience. The Director of Customer and Community Services confirmed that the City Council would maintain a controlling interest in the Board.

The Committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

Not applicable.

The meeting ended at 4.38 pm

**CHAIR**

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart  
Report by: Liz Bisset, Director of Customer & Community Services  
Relevant scrutiny committee: Community Services 13/3/2014  
Wards affected: All Wards

## **HOUSING PORTFOLIO PLAN 2014-15 Key Decision**

### **1. Executive summary**

1.1 This report covers the Housing Portfolio Plan 2014-15, which sets out the strategic objectives for the portfolio for the year ahead, describes the context in which the portfolio is being delivered and details the activities required to deliver the outcomes and the vision. Performance measures and risks are also shown for each strategic objective.

### **2. Recommendations**

2.1 The Executive Councillor is recommended:

To approve the Housing Portfolio Plan 2014-15

### **3. Background**

3.1 This is the fourth year in which Cambridge City Council has produced Portfolio Plans. The aim of the Portfolio Plans is to set out how each of the seven Portfolios will contribute to the delivery of the vision outlined in the Council's vision statement.

3.2 The Housing Portfolio Plan for 2014-15 has been developed by officers and the Executive Councillor, in parallel with the budget planning process. The Housing Portfolio Plan for 2014/15 sets out a limited number of high-level, strategic objectives for the Portfolio, along with the broad activities required to achieve these objectives.

3.3 The services that will deliver the strategic objectives set out in the Plan are each developing more detailed Operational Plans. These will

function as management tools to ensure the tasks that deliver the strategic objectives are planned and managed effectively.

## **4. Implications**

### **(a) Financial Implications**

The financial implications of this plan are set out in the budget for the portfolio.

### **(b) Staffing Implications** (if not covered in Consultations Section)

Staff will be allocated personal objectives to ensure the tasks and activities to deliver the objectives are managed. Staff will be supported in the learning and development activities they need to deliver their contribution to the plan.

### **(c) Equal Opportunities Implications**

The activities set out in this plan aim to support the Council's equality and diversity objectives. Equality impact assessments will be carried out on decisions and projects related to this plan as appropriate.

### **(d) Environmental Implications**

The actions in the plan that aim to ensure that new affordable housing meets Level 4 of the Code for Sustainable Homes should have a medium positive environmental impact.

### **(e) Procurement**

Some of the actions involved in the Plan will involve procurement by the Council. Separate reports on the procurement elements of actions included in the Plan will be provided at an appropriate time.

### **(f) Consultation and communication**

This is a strategic document covering a number of different objectives. There has therefore been no consultation on this plan per se, although there will be consultation on those elements of it that have a significant impact on residents at the appropriate time, in accordance with the Council's code of practice on consultation and community engagement, and our statutory duties for consulting tenants.

### **(g) Community Safety**



There are no significant community safety issues associated with the strategic actions set out in the Portfolio Plan.

## **5. Background papers**

N/a

## **6. Appendices**

Appendix A - Housing Portfolio Plan 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: Liz Bisset  
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Author's Email: [liz.bisset@cambridge.gov.uk](mailto:liz.bisset@cambridge.gov.uk)

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**Cambridge City Council**

## **Housing Portfolio Plan 2014-15**

**Portfolio Holder: Catherine Smart**

Page 35

**Accountable Officer: Liz Bisset**

**Email address: [liz.bisset@cambridge.gov.uk](mailto:liz.bisset@cambridge.gov.uk)**

**Phone number: 01223 457801**

## Introduction

The local economy centred on Cambridge remains one of the most buoyant in the country and the number of new homes planned and needed remains high. We will make sure that the expansion of Cambridge creates new homes and communities that people want to live in. Market house prices and rents remain high in Cambridge and we will continue to make the case for investment in well-designed homes in a range of sizes, types and tenures of housing for local residents, including Affordable Housing. We will also continue to invest in, and make best use of, the existing homes within the City, taking account of the need to tackle climate change and ensuring the existing communities can benefit from the planned growth.

In 2013 we revised our Lettings Policy in response to new national guidelines and we also started innovative work to set up a sub-regional lettings agency (Town Hall Lettings) with the aim of providing immediate accommodation for single homeless people. Recognising the pressure on the private rented sector we increased staff capacity to tackle private landlords who have the tendency to flout rules on property standards and the service they offer to their tenants. 2013 also saw the first significant batch of new housing on the Southern Fringe growth site contributing to the completion of over 300 homes as Affordable Housing for the first time for a number of years. This new housing is timely to mitigate the worst impact on households of the implementation of welfare reforms. For example, the numbers of households in Bed and Breakfast accommodation reduced significantly by the end of 2013 as a direct result of the supply of new Affordable Housing. Nearly 400 more Affordable Housing dwellings are predicted to be completed by March 2015.

In 2014.15 we will continue to work with partner local authorities, housing associations and others across the sub-region around Cambridge to demonstrate the need for investment in local housing and how this is critical to the success of other local policy requirements such as social care; health; and local economic growth. The opportunities that may arise from the City Deal will be central to the influence the City Council can have on the local housing market and meeting housing need. Working to address local City Council priorities to support vulnerable people to sustain independent housing within the framework set by the county-wide Health and

Wellbeing Board will be critical if housing choice is to equally and fairly sustained for all households including meeting the need of an ageing population.

## **Vision Statements applicable to this portfolio**

The vision statements most pertinent to this portfolio are:

- A city which recognises and meets needs for housing of all kinds - close to jobs and neighbourhood facilities
- A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution.

## Strategic Objectives 2014- 2015

<b>Vision Statement:</b>	<p><b>A city which recognises and meets needs for housing of all kinds - close to jobs and neighbourhood facilities</b></p> <p><b>A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution.</b></p>
<b>Strategic Objective HSO1:</b>	<p><b>Maximise the delivery of new sustainable housing in a range of sizes, types and tenures – driving up standards and increasing the energy efficiency of new homes for residents and developing plans for the Council to deliver up to 2000 new Affordable Homes.</b></p>
<b>By March 2015 we will have:</b>	<p>HS01.1 Worked with developers, Registered Providers (housing associations) and planners to ensure that the city’s social and market housing (including private rented housing) stock continues to grow, including 40% Affordable Housing in most new developments and the delivery of the Council’s own new build programme.</p> <p>HS01.2 Developed proposals to work together with partners to deliver affordable housing in the Greater Cambridge area, potentially under the auspices of a Greater Cambridge City Deal.</p> <p>HS01.3 Worked with Registered Providers to ensure the current standard of new build housing is maintained in terms of size, construction, layout and to at least Level 4 of the Code for Sustainable Homes – reviewing sizes of new build to ensure the supply of new build reflects the context of welfare reforms.</p>

	<p>HS01.4 Established the extent that new approaches to revenue funding available to health and social care partners support vulnerable people to sustain independent lifestyles and housing in community settings including meeting the needs of an ageing population.</p>
<b>Lead Officer:</b>	Alan Carter, Head of Strategic Housing
<b>Performance Measures:</b>	<ol style="list-style-type: none"> <li>1. New Affordable Housing on the strategic growth sites. Completions – 168</li> <li>2. New Affordable Housing on other sites. Completions - 252</li> <li>3. 75% of new Affordable Homes built to at least Level 4 of the Code for Sustainable Homes in 2014.15 (it is estimated that 60% will be completed to Level 4 of the Code in 2013.14).</li> </ol>
<b>Delivery Risks:</b>	<ol style="list-style-type: none"> <li>1. National policy drivers could impact on the ability to deliver policy aspirations for example, <ul style="list-style-type: none"> <li>• the introduction of Affordable Rents changes the tenure mix of housing on new housing sites restricted choice of housing options for some lower income groups.</li> <li>• changes to the benefit system could adversely impact on the ability of the Council to plan under-letting of some new homes in the Growth areas to foster mixed and sustainable communities</li> </ul> </li> <li>2. Depending on the outcome of current negotiations with Government, together with</li> </ol>

South Cambridgeshire District Council, the City Deal may not result in the level of new funding for Affordable Housing sought by the Council and partners.

3. The availability of development finance and mortgage finance slows down the delivery of new housing.

**Strategic Objective  
HSO2:**

**Make the best use of existing homes, promoting and leading the provision of well maintained, safe and secure homes to maximise housing choice.**

**By March 2015 we will  
have:**

HS02.1 Increased staff capacity to support vulnerable people and those most adversely affected by welfare reforms to remain in their homes, including those with mental health issues and those who are moving into an independent home of their own for the first time or following a period of homelessness.

HS02.2 Completed our annual planned maintenance programme of works that ensure City Homes continue to be maintained to a good standard.

HS02.3 Continued to have maintained and promoted services to take action effectively against private sector landlords that do not comply with housing health and safety matters as well as landlord and tenant issues

HS02.4 Continued to prioritise bringing back into occupation long standing empty homes in the private sector.

HS02.5 Completed the House Condition survey to help assess the current condition of the private housing stock including its energy efficiency.



<b>Lead Officer:</b>	Robert Hollingsworth, Head of City Homes (HS02.1), Bob Hadfield (HS02.2) Jas Lally (HS02.3;HS02.4 and HS02.5)
<b>Performance Measures:</b>	<ol style="list-style-type: none"> <li>1. Report and monitoring of all investigations undertaken according to complaints received – estimate 200 new cases 14.15</li> <li>2. Number of long term empty homes brought back into use – target 20</li> <li>3. Survey completed by March 2015 on current housing stock with an emphasis on energy efficiency</li> </ol>
<b>Delivery Risks:</b>	<ol style="list-style-type: none"> <li>1. Health and care funding will not be sufficient to support vulnerable people to sustain independent housing.</li> <li>2. More detailed analysis shows that there are complex reasons why a number of homes stay empty and the investment required to bring them back into use does not represent good value for money.</li> </ol>
<b>Strategic Objective HSO3:</b>	<b>Deliver good quality housing related advice and direct measures to help prevent homelessness.</b>
<b>By March 2015 we will have:</b>	HS03.1 Focused our housing advice to reduce homelessness and help prevent homelessness by offering early advice on alternative housing options and by embedding the Town Hall Lettings scheme.

	HS03.2 Increased the range of temporary housing available to minimise the impact on households who become homeless or who are threatened with homelessness and reinforced our work with partner organisations to support people with a history of homelessness to find a settled home.
<b>Lead Officer:</b>	Alan Carter, Head of Strategic Housing
<b>Performance Measures:</b>	<ol style="list-style-type: none"> <li>1. Number of Rough Sleeping estimates average no more than 15 (the average number of individual recorded as sleeping rough over the calendar year 2013 was 25.</li> <li>2. Numbers of households in Bed and Breakfast accommodation less than 5 at any one time (from a high of over 30 households in B&amp;B in one month over the last 12 numbers have reduced to less than 5 since November 2013)</li> <li>3. Combined number of households in and waiting for temporary accommodation no more than 95 (measured through quarterly snapshot)</li> <li>4. Homelessness preventions to continue to be above average for region ie over 380 per annum</li> </ol>
<b>Delivery Risks:</b>	<ol style="list-style-type: none"> <li>1. Local Housing Allowance levels restrict access for some households to housing that meets their needs within the city.</li> <li>2. New national policy initiatives such as the new 'Affordable Rents will restrict access to new housing provided by housing associations (Registered Providers).</li> <li>3. There will be insufficient suitable properties for single people that become available</li> </ol>

	to be let under the Town Hall Lettings scheme.
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**Background Information:**

- Housing Strategy 2012-15
- Affordable Housing Supplementary Planning Document
- Developing Affordable Housing Policy Guide
- Charter for New Affordable Housing
- Private Housing Stock Condition Survey
- Strategic Housing Market Assessment

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart  
Report by: Alan Carter, Head of Strategic Housing  
Relevant scrutiny committee: Community 13/3/2014 Services Scrutiny Committee  
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

**HOMES & COMMUNITIES AGENCY  
AFFORDABLE HOUSING PROGRAMME 2015-18 GRANT BID  
Key Decision**

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## 1. Executive summary

The Council has successfully bid for Homes & Communities Agency (HCA) grant funding for developing new build Affordable Housing in the previous two bid rounds. It is proposed within this report that Cambridge City Council bids for grant to help fund the delivery of future Affordable Housing to be owned and managed by the Council. If the Council does not bid for the grant funding other sources of funding will be required to deliver future new build Affordable Housing schemes.

## 2. Recommendations

The Executive Councillor is recommended:

- a. 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 bid to secure grant funding from the HCA and to agree to enter into a Framework Delivery Agreement (FDA) with the HCA if successful.
- b. 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 future bids to the HCA for grant funding via future market engagement.

### 3. Background

The Homes & Communities Agency (HCA) published the Affordable Homes Programme 2015-18 (AHP) prospectus on the 27 January 2014. This sets out the parameters of any bid to be submitted for Affordable Housing grant funding. Please see Appendix A for a summary of the prospectus. Cambridge City Council, as a Registered Provider, is eligible to bid for funding from the AHP bid round.

The Council first began building its own housing again in 2009, with grant funding from the HCA for 7 new homes. The Council went on to secure £2.6m of grant funding from the HCA to delivery 146 Affordable Homes in the Affordable Housing Programme 2011-15. This report proposes that a bid is submitted to the HCA for grant funding from the AHP.

A key difference between this AHP bid round and the past two bid rounds is that indicative proposals will not be accepted unless the overall bid is over £5m (with no less than 50% firm schemes). The AHP requires bids of the scale the Council would propose (ie under £5m) to be based solely on firm schemes. A firm scheme includes the following minimum requirements:

- § The name of the scheme;
- § The x,y co-ordinates;
- § Details of ownership or control by the bidder;
- § The scheme has reached the formal Planning stage ; and
- § Tender stage reached.

This restricts the number of sites on which the Council can bid. However, a process known as 'future market engagement' will allow the Council to bid for grant funding from the HCA on sites when they become a firm scheme. 25% of the AHP will be held back for schemes to be submitted under future market engagement.

One site the Council is currently working on is the Quad development at Clay Farm. This scheme will be a firm scheme by the bid deadline. Only the shared ownership element will be eligible for funding as the Council will be using Right to Buy receipts to fund up to 30% of the Affordable Rented dwellings, which then precludes the use of HCA AHP grant to part fund the Affordable Rent element of this scheme.

There may also be a small number of units categorised as firm schemes from the 3 year rolling programme which the Council's bid could include.

The final bid will be presented to the Director of Customer and Community Services to approve submission to the HCA following consultation with the Executive Councillor for Housing, Chair and Spokes.

The closing date for bids is noon Wednesday 30 April 2014 and all successful bidders through the AHP will be required to sign a standard form of agreement with the HCA, the FDA. An element of this agreement, which is not yet published, will be to secure the delivery of the Affordable Housing between April 2015 and March 2018. Once this agreement has been published a précis will be presented to the Director of Customer and Community Services to approve the signing of the FDA following consultation with the Executive Councillor for Housing, Chair and Spokes.

If grant funding is not secured then the Council will need to find alternative funding methods to fill the deficit if development of new build Affordable Housing schemes is to continue. Any scheme will always return to the Community Services Scrutiny Committee for final scheme approval, which will include the funding structure of that scheme. Within the Budget Setting Report 2014/15, Appendix M, there is the opportunity to use unallocated Right to Buy receipts and HRA surpluses to help fund new build delivery. HRA surpluses can be used together with any HCA grant.

#### **4. Implications**

##### **(a) Financial Implications**

Any grant funding secured will have a positive impact on the costs to the Council delivering new build Affordable Housing.

##### **(b) Staffing Implications (if not covered in Consultations Section)**

Housing Development staff will be required to finalise a bid, with the support of Housing Finance colleagues. If successful in the grant bid Housing Development staff will be project managers, which includes rigorous reporting to the HCA.

##### **(c) Equal Opportunities Implications**

An EQIA has been carried out for the Council's new build programme overall.

##### **(d) Environmental Implications**

All developments will achieve a high level of sustainability at level 4 of the Code for Sustainable Homes or other recognised sustainable construction methods, such as Passivhaus Standard.

#### **(e) Procurement**

If Cambridge City Council is successful in securing grant funding from the HCA a delivery partner will be required. The Council has procured a partner (through an EU compliant tender), Hill Residential Limited, to deliver the housing on Quad. The Council is able to work with Keepmoat Limited until February 2016 via the Affordable Housing Framework Agreement on any other sites on which the Council achieves funding. During the AHP delivery period, from April 2015 to March 2018, another partner or partners to develop any future successful sites will be required. Therefore, potentially procurement of other delivery partners will be required.

#### **(f) Consultation and communication**

The Residents' Consultative group and Affordable Housing Member steering group have been kept informed of the potential to bid for grant funding on a number of occasions.

The new build Affordable Housing development programme has featured in several editions of Open Door.

#### **(g) Community Safety**

Secured by Design will be achieved on all schemes that are developed with AHP grant funding.

### **5. Background papers**

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

- § EQIA for the Council's new build programme
- § Homes & Communities Agency Affordable Homes Programme 2015-18 Prospectus, January 2014,  
[https://www.homesandcommunities.co.uk/sites/default/files/our-work/ahp\\_2015-18.pdf](https://www.homesandcommunities.co.uk/sites/default/files/our-work/ahp_2015-18.pdf)
- § Budget Setting Report 2014/15

### **6. Appendices**

Appendix A: Homes & Communities Agency Affordable Housing Programme 2015-18 prospectus summary



## 7. Inspection of papers

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

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# Homes & Communities Agency Affordable Homes Programme 2015-18

Prospectus January 2014

## Chapter 1

### Programme aims

£1.7bn Homes & Communities (HCA) grant funding is available outside London.

The programme seeks to:

- § Increase the supply of Affordable Rent (AR) and affordable home ownership;
- § Maximise the number of new affordable homes delivered supplemented by bidders' own contributions;
- § Address the demographic challenges facing social housing, including the need for more one and two bedroom homes that match the needs of smaller households;
- § Maximise delivery within the programme period and deliver new affordable homes by March 2018; and
- § Encourage providers with capacity who do not currently develop, or who could do more, to bring that capacity into use, utilising the skills and experience of existing delivery partners as appropriate. The aim is to drive value for money.

## Chapter 2

### Cost contributions:

- Borrowing against rental income
- Borrowing capacity created from converting social rent properties to AR
- Sale of existing stock
- Cross subsidy from Recycled Capital Grant Funding and Disposal Proceeds Funding and outright sale properties
- Government backed guarantees

### Borrowing from capitalising rent

Income generation is expected to be maximised, including charging rent up to 80% of market rents.

### Borrowing capacity created from converting social rent properties to Affordable Rent

It is stated that RPs must consider selling or converting vacant properties to AR.

### Sale of existing stock

The number of properties to be disposed must be stated in the bid with an explanation as to why the figure is not higher. The HCA require evidence of the approach taken to decide whether to hold, sell or convert properties to another tenure.

## **Cross subsidy from Recycled Capital Grant Funding and Disposal Proceeds Funding and outright sale properties**

Conversion of existing stock to AR is considered crucial in generating additional financial capacity.

If no conversions are planned the HCA will “wish to understand, and explore, the constraints which limit their ability to create an income stream from conversions.”

There is potential to convert units to shared ownership rather than AR.

## **Government backed guarantees**

Guarantees for development finance are available via the Government’s Affordable Housing Guarantee scheme delivery partner, Affordable Housing Finance.

## **Other sources of funding**

Local authorities are expected to use land holdings and capital from S106 negotiations to deliver affordable housing. Land brought forward at nil consideration will be a positive impact on the assessment of a bid.

Local authorities are encouraged to apply for other sources of funding such as the New Homes Bonus and the Community Infrastructure Levy.

## **Chapter 3: Bidding Requirements**

### **Bidding routes**

There are two bidding routes:

- § A mixed (indicative and firm scheme) approach; and
- § A firm scheme only approach.

### **Mixed route**

Bidders must notify the HCA of their intention to bid via this route by the 3 February 2014 and the HCA will confirm whether bidders may proceed by the 10 February 2014.

Under the mixed route bidders will include firm schemes and indicative proposed schemes. This is only possible if the proposed allocations for firm schemes exceeds £5m. Indicative bids must not exceed 50% of any bid.

Indicative allocations will not exceed 30% of the HCAs allocation. Indicative proposals must become firm schemes no later than 30 May 2016.

### **Firm scheme only route**

Minimum requirements for a firm scheme are:

- § The name of the scheme
- § The x, y co-ordinates
- § Details of ownership or control by the bidder
- § Planning stage reached
- § Tender stage reached

Forecast dates for start on site and completion will be taken into account for the deliverability assessment.

## **Payment**

50% of the grant will be paid at start on site and 50% will be paid on practical completion.

## **Allocating the available grant**

There is £1.7bn of grant funding available with the intention to allocate 75% at the programme outset and 25% for future market engagement.

## **Bid requirements**

Bids are sought for schemes which:

- § Offer good value for money (grant requested, anticipated costs and used own resources including generating capacity)
- § Have a good and demonstrable prospect of delivery within the programme timeframe
- § Meet local needs and priorities in their proposed locations and addressing any mismatch between existing stock and need.

## **Value for money**

The contribution from other sources of funding will be a key element of bid assessment.

## **Achieving construction and procurement efficiency savings**

The HCA wants to align with the vision of *Transforming Construction: An Industrial Strategy for Construction* (Department for Business, Innovation and Skills: June 2013), which includes the ambition to reduce initial and whole life costs by 33% by 2025.

The HCA also welcomes providers using offsite manufacturing as discussed in *Offsite Housing Review* published February 2013.

Build cost requirements:

- § Bidders must specify overall construction costs
- § Bidders must state how construction and procurement efficiencies will be achieved.

## **Use of public land**

Where land is being brought forward at nil consideration this should minimise the amount of HCA funding.

## **Section 106 schemes**

### **Funding for S106 schemes**

There will be no grant for S106 schemes. The amount paid for AR should equate to the capitalised rent. The amount paid for shared ownership should be based on reasonable value assumptions and rental income.

Only in exceptional circumstances will Recycled Capital Grant Funding be agreed on S106 schemes.

### **Treatment of nil grant S106 schemes in the value for money assessment**

The value for money assessment will exclude nil grant schemes. However they should be added to the programme when “firmed up.” If AR is to be charged there must be a contract between provider and the HCA.

### **Meeting local needs**

Local authority priorities should be taken into account for the bid and local needs, in particular any need for one and two bed properties. Social rent will not be accepted as a local authority priority.

Dialogue with LEPs is considered important for this programme.

It is expected that providers will discuss their proposals with local authorities.

### **Schemes requiring demolition**

Refurbishing and upgrading existing homes should always be the first and preferred option, and demolition the last option.

### **Other bid requirements**

#### **Design and Quality**

An addendum to the prospectus will be published once the outcome of the Housing Technical Standards Review is known.

## **Chapter 4: Assessment**

Overall objective of assessment:

- § Local needs and priorities are met;
- § Offer good value for money;

- § Have a good and demonstrable prospect of delivery within the programme timeframe; and
- § RPs continue to meet the Regulator's Governance and Viability standard.

### **Meeting local needs**

Local authorities will be asked to confirm whether firm schemes or indicative proposals are supported and meet local needs. Fit with LEPs will also be considered.

### **Value for money (50%)**

This will be via comparison with other bids. Any high grant schemes will require strong reasons for the high requirement. Very low grant schemes will need to justify delivery.

Indicators that will form a part of the HCAs assessment scoring are:

- § Grant per unit compared to the overall Operating Area average;
- § Grant per unit compared to the national average;
- § Grant per unit compared to an appropriate comparable average;
- § Grant per person compared to the overall Operating Area average;
- § Grant as a percentage of total scheme cost;
- § Works costs per m<sup>2</sup> compared to the area average;
- § m<sup>2</sup> per person compared to the area average.

### **Delivery (50%)**

Any scheme that has significant slippage may result in a scheme being withdrawn but this does not preclude the scheme from being brought forward again through CME.

Having achieved planning will be considered good deliverability.

Having local authority support will be considered a good indicator of deliverability.

Scheme proposals with forecast start and completion dates in the first year of the programme will be advantaged.

Previous track record of delivery will be taken into account.

### **Programme building**

All bids supported by local authorities will be ranked by value for money, then the geographical location will be considered so there is a good geographical spread of supply.

### **Role of the Regulator**

The Regulator will be reviewing Value for Money standards, which will inform the HCAs funding decisions.

The Regulator will assess bids and provide advice on:

- § Compliance with the Regulator's Governance and Viability standard; and

- § Likelihood of compliance continuing if the bid is supported by the HCA.

## **Chapter 5: Provider and programme requirements**

### **Partnership working**

Partnership working with local providers, specialist providers and community based organisations is encouraged.

### **Local authorities**

Local authorities with Housing Revenue Account headroom are able to bid for this funding.

### **Limit rent**

Affordable Rent will be treated outside of the Rent Rebate Subsidy Limitation scheme.

### **Information requirements**

#### **Bid information**

Bids must be submitted via the HCAs Investment Management System.

Bidders will be required to certify there is no overlap between the 2011-15 Affordable Housing Programme and this programme.

Firm scheme bids will include:

- § Anticipated unit mix and size
- § Tenure
- § Any specific provision (eg supported housing)
- § Any specific needs (eg wheelchair accessible housing)

Indicative proposals will include:

- § Outline mix and anticipated size
- § Tenure
- § Minimum geography

Estimated scheme costs must be outlined together with the sources of funding.

Expected month of start on site and completion will be required.

All bids should include any named firm schemes where homes are to be delivered at nil grant through S106 agreements.

### **General Information**



## **Conversion Information**

The number and location of Affordable Rent and other tenure conversions should be outlined, together with the proportion of annual re-lets this represents.

The additional borrowing capacity created through conversions should be provided.

## **Supplementary Information**

The below information should be provided in written statements:

- § Active asset management - the contribution vacant properties can make
- § Achieving procurement efficiencies - reduction in costs through innovation and supply chain efficiencies
- § Employment and skills - indicative numbers of apprenticeships and opportunities for 16-23 year olds
- § Meeting the needs of a range of communities - housing suitable for older people, people with disabilities and specialist housing
- § Financial information and viability - provide to the Regulator an updated version of the financial forecast return
- § Registered Provider Board approval - the relevant board paper and minute will be required

## **Chapter 6: Range of products**

### **Affordable Rent**

AR will be at 80%, except in exceptional circumstances, such as where this exceeds Local Housing Allowance.

### **Rent increases**

Bidders should bid on the basis of Consumer Price Index + 1 percentage point each year for 10 years. This is a change from current policy (Retail Price Index + 0.5 percentage points) and is out for consultation.

Rents must be re-based on re-lets.

### **Social rent**

This will only be considered in very limited circumstances where a strong argument can be made as to why AR is not viable.

### **Affordable home ownership**

Bids that only include affordable home ownership and, no AR, will not be considered. Funding for equity loan products will not be available.

## **Supported housing and housing for older people**

This will be supported where this matches local need.

## **Other groups or forms of housing**

Empty homes, homelessness and traveller pitches should all be bid for under this programme.

## **Chapter 7: Contract and programme management**

Heads of Terms of the standard agreement will be published shortly.

## **Chapter 8: Timetable**

<b>Milestone</b>	<b>Date</b>
Launch of bid round	27 January 2014
Close of bid round	Noon Wednesday 30 April 2014
Clarification and assessment of bids	01 May - 20 June 2014
Moderation of bids	23 - 30 June 2014
Clearance of recommendations for allocations	early July 2014
Announcement of successful allocations	mid July 2014



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart  
Report by: Julia Hovells, Business Manager / Principal Accountant  
Relevant scrutiny committee: Community Services Scrutiny Committee 13/3/2014  
Wards affected: East Chesterton

## LEASE OF HOUSING LAND - EASTFIELDS, CHESTERTON

### Key Decision

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#### 1. Executive Summary

- 1.1 The Council's Housing Revenue Account (HRA) owns the freehold to a number of parcels of land on which Hundred Houses Society historically had built a number of homes for social rent. Hundred Houses Society currently lease the land from the City Council under two long leases, due to expire in January 2065 and March 2119.
- 1.2 The housing on the site, which comprises 82 homes built in 1935 and 41 in 1993, is now in need of some refurbishment / re-development to ensure that the housing provision continues to be maintained to an appropriate standard.
- 1.3 To facilitate a financially viable refurbishment / re-development of the site, Hundred Houses Society are seeking to re-negotiate the terms of the two existing leases with the City Council, to arrive at one new consolidated lease.

#### 2. Recommendations

The Executive Councillor is recommended:

- a) To agree that a new consolidated lease with Hundred Houses Society, for lease of the land at Eastfields, Chesterton (the areas marked on the plan at Appendix A), is negotiated.
- b) To delegate responsibility to the Director of Customer & Community Services, in consultation with the Head of Property Services, Head of Legal Services and Section 151 Officer, to agree the final terms for the

lease, and to subsequently enter into a new consolidated lease for the land at Eastfields, Chesterton.

### **3. Background**

- 3.1 Hundred Houses Society hold two leases for approximately 10.65 acres of land at Eastfields, Chesterton with the City Council, for the purpose of delivering affordable housing on the site.
- 3.2 The lease for the largest parcel of land (8.4 acres) was last varied in 1985, extending the term of the lease until January 2065. The second lease for a smaller parcel of land (2.25 acres) was negotiated in 1994 for a term of 125 years.
- 3.3 The lease with the City Council for the larger parcel of land was originally constructed on the basis that the HRA receives 20% of the annual rental yield from the properties erected on the land which is leased from the Council. The lease for the smaller parcel carried a premium of £10,000 upon completion, but was based upon payment of one peppercorn annually on an ongoing basis.
- 3.4 Hundred Houses Society has had 123 dwellings built on the land, all of which they have let and managed since their completion.
- 3.5 The properties have been identified as being in need of major refurbishment or potential re-development, to ensure that the housing supply continues to meet current housing need and housing property standards. Any re-development has the potential to increase the density of housing on the site, and therefore potentially the supply of affordable housing in the city.
- 3.6 The requirement in one lease to pay the City Council 20% of the annual revenue stream has proved prohibitive to Hundred Houses Society in their financial appraisals to re-develop the site, as they have been unable to arrive at a reasonable pay-back period for any investment.
- 3.7 Hundred Houses have met with officers of the Council on a number of occasions over the past few years, to discuss proposals as to how the Society might terminate the lease. Options that were considered included proposals for both land and property swaps between the Society and the HRA. In no instance thus far, has any proposal proven financially viable for both the HRA and Hundred Houses Society.
- 3.8 The latest proposal, leading to the recommendations in this report, is for the City Council to enter into a new consolidated lease with

Hundred Houses for the same parcels of land, with a new lease term of 125 years. The lease premium in the new lease is proposed to be based initially on the rental income for 2013/14 of approximately £80,500, but for the monetary sum to be divorced from the current link to 20% of the rental stream for **all** properties on the site. The lease premium of approximately £80,500 would be inflation linked, using a methodology agreeable to both parties.

- 3.9 This approach would ensure that the current revenue stream to the HRA would be fully protected, whilst Hundred Houses Society would benefit fully from the additional rental income that any increased density on the re-developed site would bring, facilitating their business case for investment. The Society would seek to deliver a scheme which combines improvement to some of the dwellings and demolition and re-development of others, with pay-back for the investment being within 35 years.
- 3.10 It may be necessary for Hundred Houses Society to introduce some market housing or shared ownership accommodation onto the site to make the investment financially viable, but with a guarantee provided that there would be an increase in the overall supply of housing on the site, with no decrease in the supply of affordable housing provided.
- 3.11 Any increase in the number of affordable housing units that may be deliverable would of course assist in meeting the Council's strategic aim to increase the supply in the city to meet housing demand.

## **4. Implications**

### **(a) Financial Implications**

The Housing Revenue Account currently receives in the region of £80,500 per annum in respect of 20% of the rental stream for the houses erected on the relevant leased land.

Based upon the latest proposal by Hundred Houses Society, as incorporated within this report, the Housing Revenue Account's financial interest will be maintained, with the revenue stream inflation linked. This is fully in line with the assumptions made in respect of this income in the HRA Business Plan and Budget Setting Report and associated financial planning and forecasting models.

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

There are no direct staffing implications associated with this report.

**(c) Equal Opportunities Implications**

There are no direct equal opportunities implications as a result of this report, and an EqIA has not been completed in respect of this proposal.

**(d) Environmental Implications**

There are no direct environmental implications associated with this report. The environmental impact of any re-development of the site will be considered by the Hundred Houses Society as part of their option appraisal for the site.

**(e) Procurement**

There are no procurement implications associated with this report.

**(f) Consultation and Communication**

Consultation with existing residents in the housing provided on the land leased from Cambridge City Council, is being undertaken by Hundred Houses in their capacity as housing landlord for the site.

**(g) Community Safety**

The community safety implications associated with the re-development of the site, will be considered by Hundred Houses in their capacity as housing landlord for the site.

**5. Background Papers**

There were no publicly available papers used in the preparation of this report.

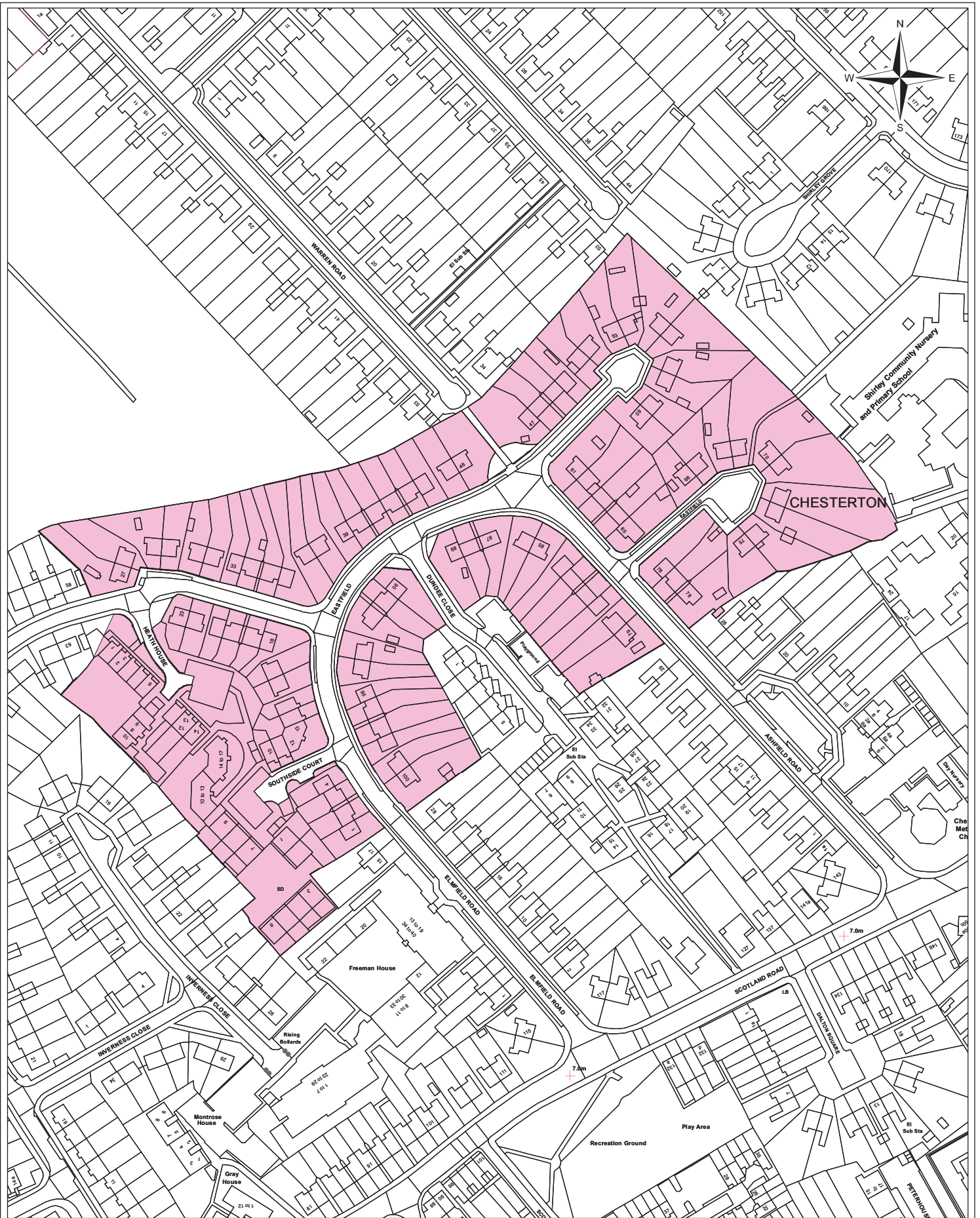
**6. Appendices**

Appendix A – Site Plan, Eastfields, Chesterton

**7. Inspection of Papers**

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

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Information Systems Team

## Eastfields Lease

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Date:	14/02/14
Produced by:	Steve Udall
Section/Department:	Informations Systems Team
Scale:	1:2,000 @ A4

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To: Executive Councillor for Community Wellbeing:  
Councillor Sarah Brown

Report by: Debbie Kaye, Head of Arts and Recreation

Relevant scrutiny committee: Community Services 13/3/2014  
Scrutiny Committee

Wards affected: All Wards

## **DRAFT COMMUNITY WELLBEING PORTFOLIO PLAN 2014-15 Key Decision**

### **1. Executive summary**

1.1 This report covers the draft Community Wellbeing Portfolio Plan 2014-15, which sets out the strategic objectives for the portfolio for the year ahead, describes the context in which the portfolio is being delivered and details the activities required to deliver the outcomes and the vision. Performance measures and risks are also shown for each strategic objective.

### **2. Recommendations**

2.1 The Executive Councillor is recommended:

(i) To approve the draft Community Wellbeing Portfolio Plan 2014-15

### **3. Background**

3.1 This is the fourth year in which Cambridge City Council has produced Portfolio Plans. The aim of the Portfolio Plans is to set out how each of the seven Portfolios will contribute to the delivery of the vision outlined in the Council's vision statement.

3.2 The draft Community Wellbeing for 2014-15 has been developed by officers and the Executive Councillor, in parallel with the budget planning process. In comparison to previous years, the draft Community Wellbeing for 2014-15 sets out a limited number of high-level, strategic objectives for the Portfolio, along with the broad activities required to achieve these objectives.

3.3 The services that will deliver the strategic objectives set out in the Plan are each developing more detailed Operational Plans. These will

function as management tools to ensure the tasks that deliver the strategic objectives are planned and managed effectively.

#### **4. Implications**

##### **(a) Financial Implications**

The financial implications of this plan are set out in the budget for the portfolio.

##### **(b) Staffing Implications** (if not covered in Consultations Section)

Staff will be allocated personal objectives to ensure the tasks and activities to deliver the objectives are managed. Staff will be supported in the learning and development activities they need to deliver their contribution to the plan. Some of the actions in the Plan will involve significant changes to the configuration of services within the Portfolio, and as such will have an impact on staff. These changes will be the subject of separate consultations with affected staff. These include:

- CW 1.2 - Establishing a new Arts Trust and five year business plan to run the Cambridge Corn Exchange, Cambridge Folk Festival and other aspects of the Arts & Recreation service<sup>1</sup>. It should be noted that this action is subject to the decision of the Executive Councillor at Community Services Committee on 13 March 2014.
- CW 1.3 - Implementing the restructure of Community Development and Year 2 of the Children and Young People's Participation Service Business Plan

##### **(c) Equal Opportunities Implications**

The activities set out in this plan aim to support the Council's equality and diversity objectives. Equality impact assessments will be carried out on decisions and projects related to this plan as appropriate.

##### **(d) Environmental Implications**

The objectives contained in the plan are not expected to have a significant environmental impact.

##### **(e) Procurement**

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<sup>1</sup> If a decision is taken to proceed in March 2014  
Report Page No: 2

Some of the actions involved in the Plan will involve procurement by the Council. Separate reports on the procurement elements of actions included in the Plan will be provided at an appropriate time.

**(f) Consultation and communication**

This is a strategic document covering a number of different objectives. There has therefore been no consultation on this plan per se, although there will be consultation on those elements of it that have a significant impact on residents at the appropriate time, in accordance with the Council's code of practice on consultation and community engagement.

**(g) Community Safety**

There are no significant community safety issues associated with the strategic actions set out in the Portfolio Plan.

**5. Background papers**

N/a

**6. Appendices**

Appendix A - Draft Community Wellbeing Portfolio Plan 2014-15

**7. Inspection of papers**

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

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**Cambridge City Council**

## **Community Wellbeing Portfolio Plan 2014-15**

**Portfolio Holder: Councillor Sarah Brown**

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**Lead Officers: Debbie Kaye, Trevor Woollams**

**Email address: [Debbie.Kaye@cambridge.gov.uk](mailto:Debbie.Kaye@cambridge.gov.uk)  
[Trevor.woollams@cambridge.gov.uk](mailto:Trevor.woollams@cambridge.gov.uk),**

**Phone number: 01223 457551/457861**

## Introduction

### **a) Remit/purpose of the portfolio.**

- § To ensure all city residents have the opportunity to influence, access and benefit from arts, sports and community provision
- § To ensure there is an adequate focus on the delivery of growth related services to new neighbourhoods in the city; to understand local need and help these and existing communities develop a strong sense of place
- § To identify and promote opportunities to improve health and well-being

### **b) Context for plan**

The national economic situation has placed increasing pressure on people's individual budgets as well as on the budgets of public service and voluntary organisations. At the same time, the Localism Act gives voluntary groups more say over how local services are run. In response, we have had to take difficult decisions to reduce spending in certain discretionary areas and are looking to provide other services in different ways too. We will continue to work in partnership with our communities and other service providers to understand and respond to local needs, and in particular supporting people who are more vulnerable.

A restructure of Community Development is underway with the objective of delivering significant savings of around £500,000. A merger of Community Development and Arts & Recreation under one head of service is planned for 2014-15. Alternative delivery models are being explored for the management of Cambridge Corn Exchange and Cambridge Folk Festival. Any new arrangements are expected to be in place from 2015-16.

Key initiatives in 2014-15 will be:

- § Review strategic grant priorities, budgets and management of process
- § Restructuring associated with merger of the 2 sections
- § Implementation of any new arms length management arrangements for parts of the Arts & Recreation service – in the form of an Arts Trust
- § Implementing plans to deliver infrastructure and support new communities living in growth areas

- § Ensuring the local health partnership provides a strong voice for Cambridge and supports opportunities to live healthy lifestyles
- § Overseeing local organisation of the Cambridge to London stage of the 2014 Tour de France on 7.7.2014

The following service divisions will contribute to the achievement of this Plan's Objectives:  
*Arts and Recreation, Community Development, Refuse and Environment, and Streets and Open Spaces*

## **Vision Statements applicable to this portfolio**

### **Council Vision**

The Council's eight corporate vision statements were reiterated as part of the 2012 Annual Statement and provide the context for the Council's work. The vision statements most pertinent to this portfolio are:

#### ***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

#### ***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 with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery

#### ***Cambridge – caring for the planet***

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

## Strategic Objectives 2014-2015

<b>Vision Statement:</b>	A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing
<b>Strategic Objective 1:</b>	<b>In a period of constrained resources, deliver arts, sports and community provision in ways which ensure all city residents have the opportunity to influence, access and benefit from them.</b>
<b>By March 2015 we will have:</b>	<p>CW 1.1 Agreed new grants priorities and grants budgets for 2015/16; agreed a grants programme that supports the City's voluntary sector and achieves Council objectives</p> <p>CW 1.2 Established a new Arts Trust and five year business plan to run the Cambridge Corn Exchange, Cambridge Folk Festival and other aspects of the Arts &amp; Recreation service<sup>1</sup></p> <p>CW 1.3 Implemented the restructure of Community Development and Year 2 of the Children and Young People's Participation Service Business Plan</p>
<b>Lead Officer:</b>	TW: 1.1, 1.3; DK: 1.2
<b>Performance Measures:</b>	<p>CW 1.1</p> <ul style="list-style-type: none"> <li>§ Grants review is carried out in accordance with the Cambridgeshire Compact.</li> <li>§ Members agree new grants priorities and revised budgets for Community Development and Arts &amp; Recreation Developments Grants</li> <li>§ Grants budget has been fully allocated in accordance with new criteria and priorities</li> </ul> <p>CW 1.2</p> <ul style="list-style-type: none"> <li>§ Set up achieved in accordance with implementation plan milestones</li> </ul> <p>CW 1.3</p> <ul style="list-style-type: none"> <li>§ The new model of delivery, identified savings and income targets are achieved</li> </ul>

<sup>1</sup> If a decision is taken to proceed in March 2014



<b>Delivery Risks</b>	<p>CW 1.1</p> <ul style="list-style-type: none"> <li>§ Review not carried out in accordance with Cambridgeshire Compact</li> <li>§ Other funders reduce their budgets which could de-stabilise some voluntary groups</li> </ul> <p>CW 1.3</p> <ul style="list-style-type: none"> <li>§ Commissioned work is lower than anticipated - income target not met.</li> </ul>
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<b>Vision Statements:</b>	<p>A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities.</p> <p>A city whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives.</p>
<b>Strategic Objective 2</b>	<b>To ensure there is an adequate focus on the delivery of growth related services to new neighbourhoods in the City; to understand local need, help develop a strong sense of place and promote connectivity to the rest of Cambridge</b>
<b>By March 2015 we will have:</b>	<p>CW 2.1 Agreed sustainable management arrangements for the Council's new community facility at Clay Farm which responds to the local needs and pressures on public sector funding.</p> <p>CW 2.2 Involved stakeholders and residents in the design and future management arrangements for new community facilities at NW Cambridge and Darwin Green</p> <p>CW 2.3 Signed an Agreement with Parkside Federation securing community use of Trumpington Secondary School Sports Centre</p>
<b>Lead Officer:</b>	TW: 2.1 2.2; DK: 2.3
<b>Performance</b>	CW 2.1

<b>Measures:</b>	<ul style="list-style-type: none"> <li>§ Structure and business plan are in place and effectively engage stakeholders.</li> </ul> CW 2.2 <ul style="list-style-type: none"> <li>§ Designs meet the needs of local people; sustainable approach to management identified</li> </ul> CW 2.3 <ul style="list-style-type: none"> <li>§ Agreement is signed</li> </ul>
<b>Delivery Risks:</b>	CW 2.1 and 2.2 <ul style="list-style-type: none"> <li>§ Cost of management arrangements</li> <li>§ Partners and stakeholders cannot agree on design or future management arrangements</li> </ul> CW 2.3 <ul style="list-style-type: none"> <li>§ School does not conclude Agreement</li> </ul>

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<b>Vision Statements:</b>	A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing
<b>Strategic Objective 3:</b>	<b>To work with partners to deliver the priorities of the Health and Wellbeing strategy, particularly where they relate to vulnerable communities</b>
<b>By March 2015 we will have:</b>	CW 3.1 Expand the capacity for Exercise Referral in the city through a) creation of new fitness centre at Parkside and b) the potential for continuation/expansion of other sites via NHS funding  CW 3.2 Developed and implemented year 1 action plan for new sports and physical activity strategy, including new 'Learn to Swim – Access' initiative  CW 3.3 Updated facilities sporting need analysis in the City and South Cambs for playing pitches.
<b>Lead Officer:</b>	DK and IR 3.1, 3.2, 3.3
<b>Performance Measures:</b>	CW 3.1 Options have been discussed with NHS, GLL and other stakeholders. A subsequent decision is taken about continuing viability of citywide scheme CW 3.2 Programme is in place offering lessons to targeted groups CW 3.3 A robust analysis is prepared

<b>Delivery Risks</b>	CW 3.1 NHS or other external funding unavailable to run a city wide programme CW 3.2 Successful engagement with targeted groups CW 3.3 Resources are available from stakeholders to support the work
<b>Strategic Objective 4:</b>	<b>To host a safe and enjoyable Tour de France event</b>
<b>By July 2014</b>	CW 4.1 Successfully coordinated local management arrangements for the Tour de France Stage 3 Cambridge to London CW 4.2 Explore opportunity created by Tour de France for improving cycling infrastructure and participation CW 4.3 Delivered a successful Arts Council funded commission which leaves a lasting legacy for the community
<b>Lead officers</b>	LB and DK
<b>Performance Measures</b>	CW 4.1 Post event reviews conclude it was a safe and enjoyable event CW 4.2 Priorities agreed and delivered with County and other stakeholders CW 4.3 Commissioned work delivered on budget and on time
<b>Delivery risks</b>	All. Adequate planning and resources in place for event.

**Background Information:**

ChYpPS Business Plan

<http://www.cambridge.gov.uk/democracy/documents/g540/Public%20reports%20pack%2011th-Oct-2012%2013.30%20Community%20Services%20Scrutiny%20Committee.pdf?T=10> See item 13

Cambridgeshire Health and well being strategy

<http://www.cambridgeshire.gov.uk/CMSWebsite/Apps/Committees/AgendaItem.aspx?agendaItemID=6066>

Arts Strategy 2011-2014 (Cambridge City Council)

<http://www.cambridge.gov.uk/ccm/content/leisure-and-entertainment/arts-strategy.en>

Sports Strategy 2009-2013 (Cambridge City Council) <http://www.cambridge.gov.uk/public/docs/Sports%20Strategy%202009-13.pdf>

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To: Executive Councillor for Community Wellbeing:  
Councillor Sarah Brown  
Report by: Debbie Kaye, Head of Arts & Recreation  
Relevant scrutiny committee: Community 13/3/2014  
Services  
Wards affected: ALL

**SPORT & PHYSICAL ACTIVITY PLAN 2014-2017**  
**Not a Key Decision**

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**1. Executive Summary**

- 1.1 The Council's current sport strategy ended in 2013 and a steer was given for the new strategy to have outcomes focussed on evidence-based need assessment, widening access, promoting participation in sport and improving health and well-being. There was also a need to identify local facility investment and improvement priorities and opportunities, in particular in relation to the use of developer contributions for outdoor and indoor sports facilities.
- 1.2 Workshop sessions were undertaken and well attended by many local sporting organisations, National Governing Body representatives, and delivery partners, where initial feedback was received on the emerging priority areas. Following the workshops an online survey about these new priorities was circulated to many organisations. The Council received a large number of responses, which have helped shape this evidence-based focus for the new Sport and Physical Activity Plan for 2014 – 2017.

**2. Recommendations**

The Executive Councillor is recommended:

- 2.1 To consider the conclusions from the recent public consultation and approve the proposed priorities and approach (paragraphs 4.8–10).
- 2.2 To focus the use of developer contributions for outdoor and indoor sports on capital projects to improve existing sports facilities in order to encourage greater participation in sports and physical activity (see paragraphs 5.5-6).

### 3. Background

3.1 In 2013/14, the Council spent approximately £2.2m on sport, recreation and leisure management. This is broken down as follows:

- n Sports development projects - £50,000
- n Sports development staff - £120,000
- n Leisure management contract - £425,000
- n Other recreation services (e.g. monitoring, maintenance, capital schemes, events) - £1,610,000 broken down to
  - ⌘ Capital depreciation – £1,040,000
  - ⌘ Maintenance including R&R contributions- £325,000
  - ⌘ Recreation Staff - £100,000
  - ⌘ Internal Recharges - £50,000
  - ⌘ Rates – £38,000
  - ⌘ Grants - £32,000
  - ⌘ Utilities - £25,000

In addition, the Council currently allocates £270,000 in arts & recreation development grants to voluntary organisations.<sup>1</sup>

3.2 The Council's Sport & Recreation service currently has approximately 6 full time equivalent staff, 3.5 FTE are sports development officers (another is funded entirely through s106 contributions from the Southern Fringe development).

3.3 The Council's current sport strategy ended in 2013. The focus of the service was as follows:

- n to continue to provide Exercise Referral opportunities for people with poor health outcomes and to secure its future by embedding it into the Leisure Management contract;
- n to develop, deliver and ultimately hand over a comprehensive programme of physical activity for older people to an external company, that being Forever Active Ltd;
- n conclusion of Olympic legacy programmes (eg, Generation Games);
- n to continue to provide physical activity opportunities for specific groups (eg, Disabled, BME, Mental Health + Homeless);
- n to attract and secure external grants to enable specific projects to be delivered, such as PREVENT, PING and Streetgames;
- n to develop, implement and assist physical activity opportunities to cater for the growing population living in the Southern Fringe.

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1. Subject to review in 2014/15.

- 3.4 In considering options for future approaches, the Executive Councillor for Community Well-being provided the following steer.
- n Policy outcomes should include a focus on evidence-based need assessment such as widening access to and promoting participation in sport and improving health and well-being for people who face barriers to accessing services.
  - n Identification of local facility investment/improvement priorities.
- 3.5 An Equality Impact Assessment was carried out on the proposed approach to developing this plan. The initial findings were:
- a) Age, Disability, Gender and Ethnicity or Race – the need for a greater focus on engagement, consultation, programming, marketing, effective partnership working;
  - b) Transgender – need to continue focus on proactive consultation;
  - c) Sexual orientation – Support for campaigns tackling homophobia in sport and where appropriate, support local projects with young people.

Other factors that could be highlighted:

- d) Obesity – may or may not be classified as a disability, but strategy should outline role of Council sports services in supporting NHS Cambridgeshire in preventing and tackling obesity;
- e) People and families on low incomes - new leisure contractor required to develop new approach to concessionary access. Where it is necessary to make a charge, other activities must be priced and implemented in a way so as not to promote exclusion;
- f) Inability to swim - strategy should outline role of Council sports services in supporting primary schools in ensuring every young person is given a fair chance to learn to swim. Approaches should also be considered for older children still at secondary school.

## **4. CONSULTATION ON THE SPORTS & PHYSICAL ACTIVITY PLAN**

### **Methodology**

- 4.1 Initial discussion was held with key sub-regional, multi-agency stakeholders such as Living Sport, Sport England, South Cambridgeshire District Council and Cambridgeshire County Council to understand the issues and priorities for each. A workshop was organised and attended by over 50 community sports organisations and other groups to discuss the initial assessment of need and to identify any other aspects.

4.2 The feedback was reviewed with the Executive Councillor and it was agreed that the following five areas should be the focus for consultation.

- a) **Adult & young people's obesity levels** which are lower than national average but are still a growing concern in respect of the evidence linking obesity to poor health outcomes and medical conditions, such as diabetes and Coronary Heart Disease.
- b) **Tackling low levels of activity** - 17% of adults living in the City do no or very little physical activity (take part in less than 30 minutes per week) in addition 64.7% of adults are not achieving the recommended 150 minutes of physical activity per week to improving health. There is strong evidence linking low levels of physical activity to long-term conditions and all-cause mortality.
- c) **The growing demand by local people for informal sport** and recreation opportunities (for example, running) rather than belonging to a sports club. Participation at competition level not always the main goal and some people see as unobtainable, and would rather participate for fun. New research from Sport England finding similar results and are now encouraging sports deliverers to make sport more accessible and participation less formal.
- d) **Helping those unable to swim** - growing number of 11 year olds, younger people and adults who are unable to swim 25m unaided. 30% of key stage 2 pupils who do attend curricular lessons cannot swim 25m unaided, and 39% of pupils are not taking any swimming lessons. 1 in 10 parents do not take their children swimming because they cannot swim themselves, and 52% responding to a recent national survey said they now swim very rarely or never.
- e) **Supporting the City's community groups and sports organisations** in providing opportunity for local people to live more active lives. With the growing cost and numbers of qualifications to deliver sport and the reliance on volunteers to help make clubs sustainable, is a key area to help promote and provide support and assistance to help bring sporting opportunities into local communities.

4.3 These were presented for consultation via survey monkey. This was circulated to over 168 clubs, partners and organisations and advertised on the Council's consultation web pages. The survey had 271 responses of which 156 gave full responses to every question. In addition, consultees were also asked to comment on needs and aspirations for improved sports facilities in Cambridge and to put forward specific proposals for new projects that could be funded through the use of developer contributions. This is considered further in Section 5.



## **Findings**

- 4.4 The headline findings were as follows:
- a) 249 [91.9%] respondents fully completed Questions 1-5 - commenting on supporting the aims of the strategic approaches.
  - b) 241 [88.9%] respondents then went on to rank these strategic approaches.
  - c) The survey analysis showed that at least 10% of the overall returns were from people linked with rowing clubs and organisations, with other responses from partner organisations and agencies accounting for around 8%, with the next grouping of responses from the local swimming club accounting for 4%. At least one response was received from nearly all sports operating within the city, and the only sport seemingly unrepresented at club level was football, but the local Football Association was represented.
- 4.5 When asked if they supported the proposed new core aims the responses were as follows:

### **POPULARITY OF SUPPORT**

1. Address low levels of physical activity	89.9% agreed
2. Support for clubs and volunteers	89.6% agreed
3. Approaches to tackling obesity	84.5% agreed
4. Swimming 25m	80.8% agreed
5. Improve opportunity for informal sport	74.6% agreed

### **PRIORITISATION**

Consultees were asked to rank the issues in terms of importance for the Council to address.

Using an average score the results were as follows (lowest average score = highest importance)

1. Address low levels of physical activity	2.54
2. Approaches to tackling obesity	2.88
3. Support for clubs and volunteers	2.89
4. Improve opportunity for informal sports	3.24
5. Swimming 25m	3.39

The top three voted the most important the greatest number of times

1. Support for clubs and volunteers	73 times
2. Approaches to tackling obesity	58 times
3. Address low levels of physical activity	52 times

The two voted least important the greatest number of times

- |   |          |
|---|----------|
| 1. Swimming 25m                           | 62 times |
| 2. Improve opportunity for informal sport | 63 times |

4.6 In response to the query as to whether other areas should be included, the top responses were:

- n Make sports activities more affordable (11)
- n Improve geographical accessibility of sports centres (10)
- n Provide more public rowing facilities (10)
- n Provide more swimming opportunities and a 50m pool (9)
- n Increase awareness of opportunities (8)
- n Increase disabled provision; and more integrated activity (8)

4.7 Common themes in the survey feedback:

- a) A common theme was affordability – in addition to entry fees, the cost of funding items such as cost of parking, additional entry fees, membership fees, clothing and equipment.
- b) Another common theme was a lack of awareness of community use of school facilities – a number had good facilities but sometimes these were not well-publicised.

### **The Way Forward**

4.8 The findings have been reviewed with the Executive Councillor. Whilst accepting that three aspects were prioritised in the consultation (clubs, obesity, physical inactivity) it is felt there is merit and resource<sup>2</sup> to also focus on the two that were less popular (swimming 25m and informal sport).

4.9 Therefore, it is proposed that all the five areas consulted on become objectives for the Council, but with a specific focus within each on 'bridging the gap' - widening access to and promoting participation in sport and physical activity for people who face barriers to accessing services. An important outcome of this will be reducing inequality in opportunity to be physically active. Whilst the Council will continue to support mainstream provision via its leisure management contract, its sports development activity will offer a targeted approach.

4.10 Following on from the consultation, the service will change as a result of the consultation and the objectives will:

- a) specifically consider the themes of affordability and awareness;

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2. Swimming via the leisure management contract with GLL, and informal sport via external Street Games funding and synergy with ChYpPs work

- b) Sports Development Officers will be assigned specific geographical areas within the city, to allow for more focused and targeted work in priority areas;
- c) activities will specifically focus on improving physical activity levels and reducing sedentary behaviours amongst particularly inactive + sedentary groups at localised levels;
- d) new priority groups for the Sports Development department will include specifically targeted projects for women and girls and older men;
- e) there will be a focus on increasing swimming participation amongst children and adults who cannot swim more than 25m unaided;
- f) a focus on increasing and offering opportunities for informal recreation and physical activity on areas of green space;
- g) increase the numbers and opportunities for adults with medical conditions (including obesity) to access exercise referral services, as a result of the new leisure management contract;
- h) promotion of clubs and opportunities available along with better promotion and monitoring of Community Use hours in developer contribution funded sporting facilities;
- i) provision of mass sporting opportunities at city events and local carnivals.

See also paragraph 5.4 for the way forward for the use of developer contributions for sports facilities improvements.

- 4.11 The original EQIA has been revisited and detail of this is shown in paragraph 6.3. If a decision is taken by the Executive Councillor to proceed, a more detailed action plan will be prepared in consultation with stakeholders and partners and where appropriate, funding applications prepared.

## **5. SUGGESTED FACILITY IMPROVEMENTS AND POSSIBLE USES OF DEVELOPER CONTRIBUTION FUNDING**

- 5.1 The survey also asked for clubs and individuals to identify if there were any shortfalls in current facility provision in Cambridge and any ideas for strategic projects that could benefit residents across Cambridge. This ties in with the Council's approach to using developer contributions to address the impact of development in the city. A summary of this approach, including an update of the levels of Section 106 funding available for outdoor and indoor sports facilities can be found in Appendix A.

5.2 The responses were a mix of facility aspirations and project ideas. The main suggestions were as follows (with the number of respondents proposing these ideas shown in brackets):

- n Improve access to swimming; need for a 50m pool (21)
- n More public rowing facilities (15)
- n More indoor sports halls (10)
- n Improved cycle ways (8)
- n Indoor roller sport / BMX / skate area/arena (7)
- n Another athletics track (5)
- n CamToo rowing project (5)
- n Bike Polo facility (3).

5.3 These suggestions will be taken into account, where possible, as part of the wider consideration of city-wide funding priorities for sports facilities. It is worth noting at this stage, however, that:

- a) none of the proposals made are at an advanced stage of preparation and ready for early consideration;
- b) some suggestions would not be eligible for developer contributions funding, which is for capital projects rather than for running and maintenance costs;
- c) other ideas could be problematic as they raise other financial implications or would present additional service demands or issues that could cut across existing Council policies.

The Way Forward (developer contributions for sports facilities)

5.4 The way forward for the use of developer contributions needs to be placed firmly in the context of the availability of funding (see paragraph 6 of the Appendix). Whilst around £600,000 for outdoor sports facilities and nearly £75,000 for indoor sports facilities presents a significant opportunity, the reality is that, if directed at building new facilities, it would not go very far.

5.5 For these reasons, it is proposed that (as part of the Sport & Physical Activity Plan) the Council focuses the use of developer contributions for outdoor and indoor sports on capital projects to improve existing sports facilities in order to encourage greater participation in sports and physical activity<sup>3</sup>. This would include facilities run by sports organisations, schools and community groups in Cambridge as well as those run by the Council.

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3. Any grants to sports organisations and community groups will be subject to community use agreements.

- 5.6 Within this approach, it is proposed that the Council:
- a) continues to actively pursue dialogue with Cambridge University and the Amateur Swimming Association about the University's proposals for a 50m pool at the West Cambridge site<sup>4</sup>; and
  - b) is mindful of the suggestions made in the recent Sport and Physical Activity Plan consultation (see paragraph 5.2) and last summer's Developer Contributions 'refresh' consultation when considering capital project proposals to meet the objectives in paragraph 5.5. The focus will be on taking forward feasible projects which benefit Cambridge residents and enable developer contributions to be used effectively and on time.
- 5.7 In line with the objectives in paragraph 5.5, there is a separate report, elsewhere on this agenda, recommending the funding of new starting blocks at Parkside Pool from developer contributions in the city-wide fund for indoor sports facilities.

## 6. IMPLICATIONS

- 6.1 **Financial implications:** The proposed priorities and activities will be carried out within existing budgets and can be reviewed if the level of resource changes. A number of priorities will require external funding and applications to pursue this will be made. Partnership working with a wide range of stakeholders is essential in being able to progress this plan.
- 6.2 **Staffing implications** (beyond those covered in paragraphs 4.8-4.10): None
- 6.3 **Equal Opportunities implications:** EQIA update – The main changes to be updated were following the responses around the following three key areas:
- n affordability and access to activities, as price is seen to be a barrier for those on low incomes when all other associated costs of equipment, kit and membership fees are taken into consideration;
  - n increased provision for disabled access and opportunities, including provision of disabled gym equipment and sessions;
  - n improving engagement opportunities and support for users of the mental health service.
- 6.4 **Environmental Implications:** None

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4. The Council has retained s106 funding for swimming contributions arising from the major growth sites.

## 7. Background papers

The following background papers, relating to the Sports and Physical Activity Plan, were used in the preparation of this report:

- n Survey Monkey questionnaire results
- n See also the Council's Developer Contributions web page ([www.cambridge.gov.uk/s106](http://www.cambridge.gov.uk/s106)), including a summary of proposals for sports facilities suggested in the last summer's consultation.

## 8. Appendices

- n Appendix: Background on developer contributions for outdoor and indoor sports facilities

## 9. Inspection of papers

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

	Sports & Physical Activity Plan	Developer contributions (Section 5 & Appendix)
Author's name:	Debbie Kaye	Tim Wetherfield
Author's phone:	01223 – 457551	01223 – 457313
Author's email:	<a href="mailto:debbie.kaye@cambridge.gov.uk">debbie.kaye@cambridge.gov.uk</a>	<a href="mailto:tim.wetherfield@cambridge.gov.uk">tim.wetherfield@cambridge.gov.uk</a>

## Background on developer contributions for sports facilities

- A1 Developer contribution payments from property owners/developers help address the impact of greater demand for facilities arising from development. Alongside devolved decision-making (area committees identifying local priority projects), 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 than one area of the city.
- A2 Examples of sports facilities improvements funded (either partly or in full) by developer contributions in recent years include:
- n changing facilities (eg, at Abbey Sports Centre and Cherry Hinton Village Centre);
  - n football pitch provision and access improvements at Pye's Pitch;
  - n multi-use games areas (eg, Nightingale Avenue Rec. Ground);
  - n outdoor gym equipment and trim trails (eg, at Ditton Fields and Nightingale Avenue Recreation Grounds);
  - n pavilions (eg, Hobbs Pavilion, King George V Pavilion, Sheep's Green Canoe Clubhouse extension);
  - n tennis courts (eg, Jesus Green, Trumpington and Nightingale Avenue Recreation Grounds); and
  - n other projects (eg, climbing wall & inclusive fitness equipment at Kelsey Kerridge sports centre, timing equipment at Parkside Pool).
- A3 Examples of on-going projects (already allocated funding) include:
- n Coleridge Recreation Ground improvements (including tennis courts and multi-use games area);
  - n development of Rouse Ball Pavilion on Jesus Green;
  - n grant for cricket nets at Netherhall School;
  - n skate park improvements and panna goals at Cherry Hinton Rec. Ground (part of a South Area Committee 1<sup>st</sup> round priority project).
- A4 The first two rounds of devolved decision-making by area committees have identified a range of improvements to local facilities within their own areas. In the last four months, the new (second round) local priorities set by the area committees have also included:
- n improvements to the pavilion at Cherry Hinton Recreation Ground and the extension of the pavilion at Trumpington Bowls club;
  - n outdoor sports facilities funding earmarked for the development of the pavilion at Nightingale Avenue Rec Ground (proposals to be worked up while waiting for other developer contribution payments);
  - n improved lighting for Nun's Way multi-use games area.

- A5 Following a ‘second round priority-setting’ report to this Committee last October, it was agreed to defer short-listing/priority-setting of city-wide contributions for outdoor and indoor sports until now in order to take account of the recent consultation and the development of the Sport and Physical Activity Plan. That report also highlighted that:
- whilst developer contributions in the city-wide fund for sports facilities can make a big difference to Cambridge, aspirations for multi-million pound major sports facilities are beyond its reach;
  - as the Executive Councillor may wish to fund a range of projects, grant-seekers are advised to take forward other funding-raising to meet these overall costs of their proposed projects;
  - developer contributions are for capital projects and cannot be used for running and maintenance costs.

A6 The current levels of developer contributions for outdoor and indoor sports are set out below. Members’ attention is drawn to the city-wide funding, alongside the devolved funds still available to area committees after the second priority-setting round (Nov ’13 – Feb ’14). The figures have been rounded down to the nearest £25,000 (please note that there is actually around £72k of indoor sports facilities contributions in the city-wide fund<sup>5</sup>).

**Table 1:** Availability of city wide and devolved off-site contributions

<b>Contribution type</b>	<b>City-wide</b>	<b>North</b>	<b>East</b>	<b>South</b>	<b>West/Central</b>
Outdoor sports	<b>£600k</b>	£50k	£125k	£200k	£250k
Indoor sports	<b>£50k</b>	< £25k	£75k	< £5k	£50k

- A7 Previous allocations to already prioritised/approved projects mean that there are no unallocated contributions in the city-wide fund with expiry dates (for contracts to be put in place) before November 2017. By then, however, £100k of outdoor sports funding has to be contractually committed (in addition to £125k devolved to West/Central Area). Beyond that, there are no significant expiry dates before 2022.
- A8 Useful background papers include: ‘Developer contributions – 2nd round priority-setting’ report to Community Services Scrutiny Committee – 10/10/13; and ‘Update and proposed next steps’ report to Environment Scrutiny Committee – 6/6/13. Further information can be found on the Council’s Developer Contributions web page ([www.cambridge.gov.uk/S106](http://www.cambridge.gov.uk/S106))

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5. Questions about whether it would make sense for all unallocated indoor sports contributions to be assigned to the city-wide fund for strategic projects will need to be considered as part of the next regular review of S106 devolved decision-making.





To: Executive Councillor for Community Wellbeing:  
Councillor Sarah Brown  
Report by: Debbie Kaye, Head of Arts and Recreation  
Relevant scrutiny committee: Community Services Scrutiny Committee 13/3/2014  
Wards affected: ALL

**PROPOSAL FOR USE OF INDOOR SPORTS DEVELOPER CONTRIBUTIONS: CITY OF CAMBRIDGE SWIMMING CLUB**  
**Not a Key Decision**

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**1. Executive summary**

The report on the Sport and Physical Activity Plan 2014-17, elsewhere on this agenda, has recommended focussing the use of developer contributions for outdoor and indoor sports on capital projects to improve existing sports facilities in order to encourage greater participation in sports and physical activity. Whilst none of the proposals for sport facility improvements during recent consultations are ready for early consideration, the Council has recently received a fresh proposal for the provision of new starting blocks at Parkside Pool, which would fit the proposed new approach.

**2. Recommendations**

2.1 The Executive Councillor for Community Wellbeing is recommended to allocate around £21,000 of city-wide developer contributions for indoor sports facilities for the provision of new starting blocks at Parkside Pool.

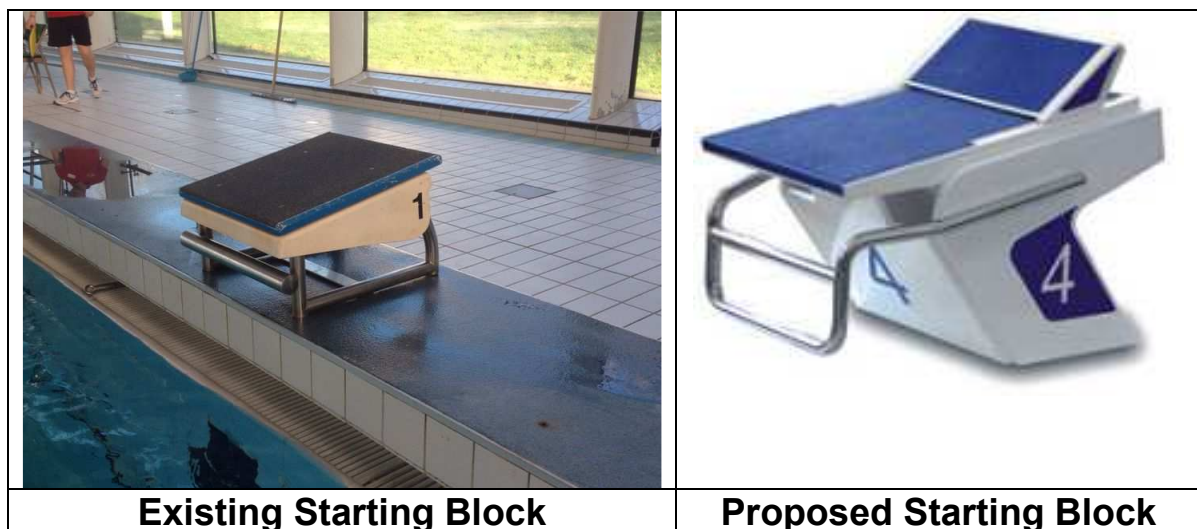
**3. Background**

3.1 Alongside the Council's approach to devolved decision-making for the use of certain categories of developer contributions, there is a city-wide fund for strategic projects that would benefit residents from more than one area of the city. More details can be found via the Council's Developer Contributions web page ([www.cambridge.gov.uk/s106](http://www.cambridge.gov.uk/s106)).

3.2 The City of Cambridge Swimming Club (CoCSC) has approached the Arts and Recreation service for funding for eight new starting blocks at Parkside Pool. The cases for new blocks is that:

- a. The current blocks were provided with the pool and are well over 10 years old and do not conform to the latest specifications, and ergonomic profiles, which puts local swimmers at a disadvantage when training for Local and National competitions.
- b. The current blocks have been welded several times over the years and if the current set of repairs fail, they would require an expensive series of stainless steel welding which would not be economical to carry out, nor guarantee the longevity of the blocks nor can the existing blocks be modified bring them up to modern standards.
- c. Providing new modern starting blocks (eg, with replay break detection technology, ergonomic design features and grips in the correct positions) is important so that Parkside Pool can continue to be used as a competition pool for County, Regional and Open meets. This formed part of the original Sport England ethos for funding and supporting the pool.

3.3 The swimming club has researched which sorts of competition blocks would provide a suitable technical specification for the next ten years (or more). The costs (including covers for the starting blocks when they are not in use) is estimated to be in the region of £20,000 - £21,000 for 8 competition standard blocks.



3.4 There is currently around £72,000 of developer contributions for indoor sports provision in the city-wide fund for strategic projects. If the Executive Councillor were to approve funding the full estimated costs, this would still leave over £50,000 in the fund for other strategic indoor sports facilities projects. Alternatively, the City of Cambridge Swimming Club has indicated that it could raise a total of £7,000 towards these costs.

#### **4. Implications**

(a) **Financial Implications**

Financial implications of day to day servicing and repairs would be retained by the City Council and an annual inspection added to the existing scoreboard maintenance contract.

(b) **Staffing Implications**

There are no staffing implications

(c) **Equal Opportunities Implications**

The new staffing blocks conform to new competition standards and are ambient disability inclusive and meet all ASA (Amateur Swimming Association) regulations for both able and disabled swimmers and competition regulations.

(d) **Environmental Implications**

Nil: This proposal has no climate change impact.

(e) **Procurement**

Procurement options are limited as the blocks need to integrate with the existing score board and time keeping system. The current system is an OMEGA Swiss Timing system and needs to be compatible to these elements otherwise new turning pads and computerised recording systems will also have to be purchased. The existing timing pads and recording system are fully serviceable and in full working order and maintained annually under an external service contract.

A waiver may be required to go to one or a range of limited suppliers for their provision.

(f) **Consultation and communication**

Consultation and research has been undertaken by the City of Cambridge swimming club on the type of diving blocks available and meet the standards for the levels of competitions held at Parkside pools.

This project has also been suggested as a project in the recent survey for Sport and Physical Activity Plan 2014-17, as a suggestion for Strategic Spending of indoor sports S106 Developer Contributions

(g) **Community Safety**  
There is no impact on community safety

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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Author's Phone Number: 01223 457000  
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To: Executive Councillor for Community Wellbeing:  
Councillor Sarah Brown  
Report by: Head of Arts & Recreation  
Relevant scrutiny Community 13/3/2014  
committee: Services  
Scrutiny  
Committee  
Wards affected: ALL

## **ARRANGEMENTS FOR EVENT BOOKING FEES**

### **Not a Key Decision**

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#### **1. Executive summary**

The Opposition Spokesperson for Community Well-being, Councillor Moghadas has asked for a report on the rationale and arrangements for event booking fees to be brought to the scrutiny committee. This report provides the information requested.

#### **2. Recommendations**

The Executive Councillor is recommended to consider and comment on the arrangements for event booking fees

#### **3. Background**

A booking fee relates to the common practice of charging extra money when booking a holiday, a flight or buying tickets for a concert or show. This is levied to cover the costs of running the service that allows the tickets to be purchased. It is common industry practice to charge booking fees for theatre, venues and festivals and most do.

The City Council charges booking fees on tickets to cover the cost of running the Corn Exchange and City Centre box office as it is believed that an important principle is that people paying for tickets for Corn Exchange and Folk Festival activities should be contributing to the costs of the ticketing service, and not simply relying upon the Cambridge council tax payer to subsidise the service. This is particularly relevant as many customers of the Corn Exchange and Folk Festival may not be city residents.

The booking fee covers the costs of running the service which includes the processing fee levied by the banks (about 2% of the whole order total), the VAT payable on the fee, the cost of providing and maintaining the online system to take the order, hardware and staffing.

The booking fee is higher for the Folk Festival as the costs associated with the running of the festival are significantly greater – they include higher dedicated staffing costs to deal with the additional demand for tickets and an on-site box office team with all its associated infrastructure and staffing costs which we have to staff and run simultaneously with the Wheeler Street Box Office. These costs are paid for out of the Festival booking fee.

The booking fees levied by the City Council have been benchmarked against other similar sized venues and festivals and are considered to be fair and 'average' in industry terms. By way of an example here is a list of what other venues charge by way of a booking fee:

London Barbican - £4.00  
Ipswich Regent - £3.00  
Leicester De Montfort - £3.00  
North Wales Theatre - £3.00  
Bradford Theatres - £2.50  
Cambridge Arts Theatre - £2.50  
**Cambridge Corn Exchange - £2.50**  
Gateshead Sage - £2.50  
Derngate Theatre - £2.50 per transaction

Similarly the Council has benchmarked booking fees for the Cambridge Folk Festival. The list below compares the booking fees levied for attending the event for a weekend with camping and parking:

Bestival - £20.50  
Reading - £13.00  
Creamfields - £16.00  
Sonisphere - £12.00  
**Cambridge Folk Festival £12.00**  
Isle of Wight Festival - £11.50  
Beautiful Days - £10.75  
Bearded Theory - £10.50  
Cornbury Festival - £10.00  
Download Festival - £10.00  
Bloodstock - £8.25  
Latitude - £8.00

Until recently the Corn Exchange City Centre Box Office offered customers the ability to avoid paying a booking fee if they paid cash over the counter. However, on 6 April 2013 the Consumer Rights (Payments Surcharges) Regulations came into force which dictated that if a booking fee relates to wider service costs, then only one booking fee per product may be charged. If more than one booking fee is offered (or as in our case, a free service) the booking fee can only relate to payment methods, and not the wider cost of the service.

Given the importance of ensuring that the box office service can operate in a sustainable manner and can continue to reduce its cost to the council tax bill by focussing charges on its users, the flexibility to levy future booking fees based on the wider costs associated with running the service was required. To achieve this and to ensure compliancy with the Consumer Rights legislation, the City Council was advised a charge should be made for all bookings, irrespective of the payment method. Regretfully this meant that the 'no charge' option had to be removed. This was implemented from with effect from Monday 23rd December 2013.

For the period from when the Consumer Rights Regulations came into force (April 6th) and the decision to withdraw the 'no booking fee' option in December, the Council was still compliant with government guidance as the costs incurred in relation to payment methods exceed the revenue raised by booking fees. However moving forward the Council are unable to continue offering the booking-fee free method for cash as it would be unsustainable due to the fact that costs incurred this year are greater than in other years due mainly to our recent investment into new ticketing software for the box office.

#### **4. Implications**

None

(a) **Financial Implications** - none

(b) **Staffing Implications** - none

(c) **Equal Opportunities Implications**

An EQIA has been undertaken which notes that there is very low risk for people on low incomes, who would now not be able to avoid paying a booking fee by paying cash over the counter, to have to pay more for the total cost of their booking. However the assessment also noted that this would equally be offset by the fact that they wouldn't need to spend money coming into the city centre in order to pay cash

over the counter and are also now able to print their own tickets at home via the new box office software.

(d) **Environmental Implications** – new technology reduces the need for printed tickets, stationary and postage

(e) **Procurement - none**

(f) **Consultation and communication** – the Council's websites for the Corn Exchange and Folk Festival clearly highlight the upfront cost of the ticket purchase and associated booking fee and the Corn Exchange site has also been approved by the Committee of Advertising Practice (CAP) who have checked its compliance against the Advertising Standards Authority recent guidance.

(g) **Community Safety - none**

## 5. Background papers

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

## 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 Community Wellbeing:  
Councillor Sarah Brown  
Report by: Debbie Kaye, Head of Arts & Recreation  
Relevant committee: Community Services Scrutiny: 13/3/2014  
Wards affected: ALL

### **FUTURE MANAGEMENT ARRANGEMENTS FOR CAMBRIDGE FOLK FESTIVAL AND CAMBRIDGE CORN EXCHANGE**

#### **1. Executive summary**

This report outlines a proposal to establish an alternative delivery mechanism for elements of the Arts & Recreation Service, namely the Cambridge Corn Exchange, Cambridge Folk Festival, and outdoor events. The report is based on a study completed by consultants Bates Wells Braithwaite, (BWB) in association with Festivals & Events International (FEI). Officers recommend a Trust is established on the basis of the business case and an analysis of the risks and benefits in relation to the options available to the Council. The report highlights the issues that will need to be addressed and a process for taking these forward.

#### **2. Recommendations**

The Executive Councillor is recommended:

- 2.1 To approve in principle the establishment of a Trust to run Cambridge Corn Exchange, Cambridge Folk Festival and other events, and to authorise work to progress this, subject to further decisions required as part of recommendation 2.3 below.
- 2.2 To approve that a Working Group should be set up as outlined in section 3.10 to support the work involved in the implementation stage.
- 2.3 To agree that the following further work (see section 3.10) which has wider implications for the Council, is progressed in discussion with the relevant Directors and the Working Group prior to discussion at Strategy & Resources Scrutiny Committee and final authorisation by the Executive Councillor for Customer Services and Resources:
  - § Management of transfer of staff
  - § Funding Agreement
  - § Agreement of property, land use and other rights

§ Expectations and relationships between the Council and the Trust

- 2.4 To delegate authority for all other decisions necessary to implement and establish the Trust (including the appointment of a Chair) to the Director of Customer and Community Services in discussion with the Working Group.
- 2.5 To acknowledge the indicative timetable for implementation, and agree that this may be varied in accordance with the delegation in 2.4.
- 2.6 To bring forward proposals to the autumn 2014 committee cycle for a refreshed programme of outdoor events.

### **3. Background**

3.1 The Director of Customer & Community Services brought a report to the October 2013 meeting of the Community Services scrutiny committee to recommend the Council should consider the options for the future delivery of the Corn Exchange and events management, but in particular consider the merits of delivering services through an arms-length trust or company, and the benefits this might deliver. The Executive Councillor for Community Well-being subsequently resolved 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.

3.2 The Arts & Recreation project has three objectives:

- § To reduce the subsidy required to these services.
- § To provide a sustainable financial and operational basis on which the services can thrive.
- § To manage and mitigate the increasing risk to the authority of continuing to provide the services directly.

3.3 A bid to the Council's efficiency fund for £25,000 was made to fund the first phase of the work which involved:

- § A review of the Council's options appraisal, and other professional advice and a recommendation of an optimum delivery model.
- § Preparation of a draft 5 year business plan to demonstrate the resilience of the chosen optimum model.
- § A full assessment of the risks and benefits involved should the Council go ahead with this decision.
- § An outline plan, timetable and budget to achieve implementation.

3.4 Officers undertook a procurement exercise to source an established and recognised firm in the legal field to provide professional advice and to secure industry-relevant expertise to inform and deliver the work. Bidders

were advised that the Council will make a decision as to whether to proceed to implement the chosen optimum model in March 2014.

The Council also sought a quote for an optional second phase of the project which would be to implement the recommended model and to fully establish a new entity and conclude all arrangements to secure successful transfer of services. No guarantee was given about a second phase and the Council reserved the right to choose whether or not to proceed with this work.

Following evaluation, the contract for phase 1 of the work was awarded to legal firm Bates Wells Braithwaite. Their bid for the work was £25,000. Their team included Festivals and Events International; (FEI) who had previously undertaken a review of Cambridge Folk Festival.

3.5 BWB completed the review of the options appraisal in November 2013. This was presented to the Strategic Leadership Team (SLT) and discussed with the Executive Councillor and Opposition Spokesperson. The benefits and risks of four shortlisted options were considered from a number of perspectives – corporate position, public perception, financial implications and service quality. The options were:

- § Do nothing – remain as is.
- § Stop all or some services.
- § Transfer both services to an NPDO (not for profit distributing organisation).
- § Transfer both services to a commercial operator.

3.6 Three other options had already been discounted:

- § A partnership with an existing organisation or Trust. This option was discounted for further study as we could not identify an organisation with a suitable 'fit'. Issues considered included scale of organisations, business synergy, geographic location and financial resilience.
- § Include in the leisure contract procurement. This option was ruled out because the procurement process was already well advanced and working to an implementation deadline of 1<sup>st</sup> October 2013.
- § Consider other Council services to partner with. This option was ruled out at this initial stage because the Arts & Recreation project is significantly more advanced in considering NPDO status. However, other services could be considered for inclusion at a later date.

3.7 The appraisal concluded that the transfer of services to an NPDO aligned most closely with the required objectives and that the most appropriate vehicle was a Charitable Trust limited by guarantee (referred to from hereon in as the Trust). Previously four independent consultants working on different projects had separately recommended that the Council considers a Trust arrangement for management of these services to deliver

financial and operational benefits. BWB were asked to proceed with the preparation of a business plan on this basis, and this is attached as a confidential appendix.

3.8 There are risks to the Council in not taking action.

3.8.1 The Folk Festival faces increasing financial risks

- § Meeting sponsorship and investment targets is increasingly challenging in the current climate. Ticket sales targets are based on a 100% predication and the Council budget approach requires a year on year increase in the net position.
- § In recent years performing artist fees have risen as recording revenue falls.
- § The economic downturn is creating an increasingly difficult business climate in an overcrowded and highly competitive festival market.

3.8.2 The A&R budgets are stretched in the current environment.

Since 2011/12, subsidy to the cultural element of the service area has been reduced by £350,000 per annum via restructuring and the introduction of more cost efficient and improved ways of working. By 2015/16 income targets will have increased by £150,000 per annum to reflect the new business approach to events in the Guildhall. The cumulative saving achieved in this area from 2011/12 to the end of 2014/15 will be £1,525,000.

The service now operates in an effective and streamlined manner however; the financial transformation has revealed a myriad of budget issues, many relating to historic, unachievable internal recharging targets. There are also deficits relating to inadequate provision for salary, NI and pension.

These shortfalls create a starting operational deficit of £180,000 and have only been covered in the current financial year through strict expenditure and vacancy management and one-off exceptional income items.

The Trust model will be better placed to address these issues. It will be able to take advantage of operating efficiencies, cost savings and income generating opportunities. These opportunities include taking the bar operation in house, and increased philanthropy and trust and foundation funding. The Trust business plan indicates that total income will increase by nearly £600,000 from £4,055,979 to £4,652,124 over the 5 year plan.

3.8.3 The risk profile for this area of activity is high, due to a high local and national public profile and financial volatility (the budgets rely on achieving over £4m income each year). Given the current financial position and constraints, the Council is not best placed to address these risks.

3.8.4 Citizens' Surveys show that residents support these services but challenge levels of subsidy and do not think the Council should necessarily run them directly.

### **3.9 Findings and implications of the BWB report**

3.9.1 The Value Added Tax Act of 1994 provides a list of activities which are tax-exempt including cultural services. One disadvantage of being tax-exempt from VAT is that a charity may not be able to recover the input tax on major expenses. The hypothesis has been that Cultural Exemption could be applied to a Trust to deliver significant savings in subsidy to the Council. The revised analysis indicates this is not the case. The hypothesis had been based on a study by VAT experts, Elysian. However, their findings were predicated on one year's budget forecast whereas BWB's full 5 year business case has been informed by 3 years actuals and has also included some business assumptions (Bar trading and philanthropy for example) that were not incorporated into Elysian's data.

BWB advise that on the basis of their work so far, the Trust should not apply Cultural Exemption at the outset. The rationale for this is that whilst it could deliver a small saving, there are risks in that:

- § The position is marginal and small changes to the business model may have a negative impact; and
- § It is difficult to reverse

The proposal is that this is revisited in due course. If Cultural Exemption is beneficial in the future, this could further reduce any subsidy contribution from the Council.

3.9.2 BWB advise that the business plan is cautious and based on existing budget lines. The budget would will be recalculated from a zero base as part of phase 2 of this project. Once operating independently as a Trust, BWB advise there is an expectation that some costs can reduce, and income levels, certainly through sponsorship and other fund raising under the charitable status, will rise.

#### **3.9.3 Operating saving**

BWB conclude that over the first five years, the Trust will require a cumulative annual reduction in operating subsidy of £50,000 from the Council from current levels, saving circa £500,000 over 5 years as the subsidy reduces from £350,000 to £150,000. Therefore there is a £200,000 saving on-going from Year 5 onwards from the Year 1 position. This does not take into account the start-up costs (a total of £200,000 see 3.9.4) nor the saving the Council will make in repair and renewals contributions (£138,000 per annum, see 3.9.5)

### 3.9.4 Start-up costs

BWB has estimated start-up costs at £163,000. We believe this is realistic and includes an allowance for restructuring, IT, re-branding, legal and project management with £115,000 incurred in 2014/15 (Year 0) and a provisional sum allocated of up to £48,000 for any management of change costs (MOC) in 2015/16. A breakdown is shown below.

<b>Expenditure</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>Total</b>
	Year -1	Year 0	Year 1	
Provisional MOC costs			48,000	
Communications and IT set up		30,000		
Efficiency Fund BWB legal/project management costs		65,000		
BWB Legal/project Management Contingency		20,000		
Efficiency Fund VAT work	4,730			
Efficiency Fund 1 <sup>st</sup> phase consultancy work	25,000			
Efficiency Fund Folk Festival consultancy work	7,500			
<b>Total</b>	<b>37,230</b>	<b>115,000</b>	<b>48,000</b>	<b>200,230</b>

£65,000 of Year 0 costs are covered via a bid to the Efficiency Fund and any contingency plus the contribution to the Trust of £30,000 will be made from Reserves – as a (repayable) in advance grant.

### 3.9.5 Overall savings position

In addition to the operating saving (see 3.9.3) there will also be an ongoing saving to the Council of £138,000 relating to provision of Repairs and Renewals funding (Annex 1). The table below shows that the set up costs including advances made by the efficiency fund will be paid back by the accumulated base budget savings achieved by the end of 2016/17. The total saving against base budget over 5 years is circa £990,000.

<b>Year</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>Total</b>
	-1	0	1	2	3	4	5	
Anticipated subsidy	-	-	£ 350,000	£ 300,000	£ 250,000	£ 200,000	£ 150,000	
Operating saving	-	-	£ -	£ 50,000	£ 100,000	£ 150,000	£ 200,000	£ 500,000
Total set up costs	-£ 37,000	-£ 115,000	-£ 48,000	£ -	£ -	£ -	£ -	-£ 200,000
R&R saving to Council	-	-	£ 138,000	£ 138,000	£ 138,000	£ 138,000	£ 138,000	£ 690,000
<b>Total Base Budget Saving</b>	<b>-£ 37,000</b>	<b>-£ 115,000</b>	<b>£ 90,000</b>	<b>£ 188,000</b>	<b>£ 238,000</b>	<b>£ 288,000</b>	<b>£ 338,000</b>	<b>£ 990,000</b>

### 3.9.6 Pension arrangements

The start-up costs do not contain pension bond funding requirements, which will need to be established. The Support Services Manager has commissioned an assessment by the County Council of the LGPS requirements in relation to any transfer. This will establish the costs and risks that need to be addressed either by the Council, the Trust or both. Once this information is available, a discussion on the options will be held with the Director of Business Transformation and the Council's Section 151 Officer. They will consider any implications for the Council and the Trust business plan before a decision is made on the future approach. Recent experience with the leisure management contract suggests a bond insurance or underwriting of risk by the Council may be required.

### 3.9.7 Taxation

BWB recommend that at least initially, the Trust is a freely VAT charging and recovering entity. As a charitable operation, the Trust can be exempt from corporation tax. The business plan assumes that a trading subsidiary will gift aid all its profits to the Trust. Under gift aid, the Trust will be able to reclaim tax on donations, and higher rate income tax donors and reclaim tax. As a charity, the Trust will receive an 80% mandatory relief from business rates. It could apply to the Council for the other 20% discretionary relief. In line with the approach taken to The Junction, Kelsey Kerridge etc, the business plan makes an assumption this will be granted. This issue needs to be considered further in respect of whether there is a net cost to the Council, and also needs to be factored into the review of Grants taking place in 2014/15.

### 3.9.8 Staffing structure

The Trust will be responsible for establishing its own requirements for a staffing structure within the business plan parameters.

### 3.9.9 Outdoor events

BWB makes an assumption that all outdoor events including the Folk Festival can be run by the Trust, and there is an adequate resource set aside in the business plan to deliver this. However, the amount is shown separately to enable the Council to consider its future requirements. Officers will bring forward proposals to the autumn 2014 committee cycle for a refreshed programme of outdoor events.

### 3.9.10 Recharges

BWB estimated that if these activities move outside the Council, almost £600,000 of the total of £812,000 eligible central recharges are potentially surplus to requirements. The Director of Business Transformation has advised that the issue could be managed in the short to medium term by a Transitional Service Agreement (TSA). This approach will spell out the

services to be delivered to and paid for by the Trust over a reasonable period of time and enable a managed transition from the current model to the new one. The planned transition will manage risk, provide continuity of service and provide a clear method to achieve optimum outcomes for both the Trust and the Council. The work to develop the TSA has begun with a review of the profile of the current recharges to what would be the future Trust. This work is being carried out by Accountancy in conjunction with a broader review of the system of recharges within the Council. The initial work to develop the Trusts re-profiled charges will be completed shortly.

### 3.9.11 Property

The business plan makes an assumption the Council will charge a peppercorn rent to the Trust for use of the Corn Exchange and Guildhalls. This will need to be reviewed once the corporate work on recharges has taken place.

### 3.9.12 Risk benefit analysis

This is covered in section 2 of the BWB report. The key points are:

#### Benefits

- § The services will cost less to operate as a Trust outside the Council.
- § The Trust will be able to operate more flexibly outside the Council leading to cost savings and income opportunities.
- § There is an opportunity to review the other outdoor events.
- § There will continue to be a close relationship between the Council and the Trust.

#### Risks

- § An appropriate Chair and senior staff will need to be appointed in a timely manner.
- § The Business Plan assumptions may need modification when the zero base budgeting exercise is completed in Phase 2.
- § The Trust may be insufficiently resilient to deliver against the proposed business plan.

## **3.10 Phase Two - Key tasks and proposed approach**

Items marked \* will be subject to a further decision by the Executive Councillor for Customer Services & Resources following scrutiny by Strategy and Resources Committee.

3.10.1 BWB proposes a timetable which enables the Trust to be established and operational by 1<sup>st</sup> April 2015.

Action	Proposed completion date
Recruit Chair and establish Working Group	01/05/14
Incorporate Trust	01/06/14
Principal terms agreed for Property Leases, Transfer	



Agreement and Funding Agreement.	20/06/14
Complete zero-based budget and financial reporting structure	20/06/14
Strategy and Resources Scrutiny Committee	14/07/14
Charity registration complete	01/10/14
Managing Director in place <sup>1</sup>	01/10/14
Full Board appointments completed	01/02/15
Documentations for Leases and Agreements complete	01/03/15
Trust formally begins trading	31/03/15
Staff transfer	1/04/15

### 3.10.2 Appointment of a Working Group

A Working Group will be appointed as soon as possible and will have the following representation:

- § Executive Councillor (and one other nominated representative).
- § Opposition Spokesperson (and one other nominated representative).
- § Director of Customer & Community Services.
- § Head of Arts and Recreation.
- § Peer representative(s) for example, Arts Council, other cultural organisations.
- § Consultants (BWB/FEI).
- § Other invitees as appropriate

### 3.10.3 Appointment of a Chair

A Chair will need to be identified before the Trust is constituted as he/she will need to lead the organisation through its crucial set up phase including appointing the Managing Director and liaison with the Council to agree financial, legal, property and TUPE arrangements. It is proposed that the new Chair will be appointed by the Director of Customer & Community Services in consultation with the Working Group. With support from the Working Group, the Chair will begin the process of establishing a Board. It is anticipated that the full Board will be in place and take over from the Working Group at least two months before the Trust begins trading.

### 3.10.4 Governance arrangements

The BWB report recommends that the Trust be set up as a charitable company limited by guarantee with a wholly owned subsidiary trading company to undertake commercial activity. The governing body will be both company directors and charity trustees and will collectively be known as the Board. BWB recommend a board of not more than 12 people, with a broad range of skills, knowledge and influence, particularly in the areas of finance, law, fundraising and marketing.

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<sup>1</sup> Subject to consideration of employment arrangements; may require advance grant  
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BWB recommend that the Council has the right to nominate 2 members of the full Board (a maximum of 20% of the Board so as to ensure that the Trust is not a Controlled Company or an Influenced Company at any time under the terms of the Local Authorities (Companies) Order 1995).

### 3.10.5 Management of transfer of staff and associated issues\*

The Trust will need to create a staff structure suitable for its operation, and this may vary from the current staff structure. Staff assigned to the services to be transferred would be transferred to the Trust under Transfer of Undertakings (Protection of Employment) Regulations (TUPE) Some new posts may be created and could be recruited to externally. The process will include the following components:

- § TUPE consultation.
- § Proposed Measures consultation prior to transfer.
- § Clarification on arrangements for pensions, ring-fence, Trade Union recognition and representation, and Living Wage.

### 3.10.6 Financial arrangements\*

The Business Plan produced by BWB in phase 1 is an indicative budget based on 3 years actual results extracted from Council management accounts. The report recommends that a zero-based budget process is undertaken as part of Phase 2 to confirm these numbers and to provide both the Council and the Trust with the most realistic financial picture.

### 3.10.7 Property, land use and rights\*

The BWB report anticipates that there will be leases between the Council and the Trust covering use of the Corn Exchange, Box Office premises and Parsons Court and Guildhall Halls which will include a service level agreement ('SLA'), outlining the service to be provided.

There will be a separate agreement under which the Trust is granted the right to run the Folk Festival and to use its Trademark and the right to use the Folk Festival site at Cherry Hinton Hall. It is also anticipated that there will be a Transfer Agreement that will detail the arrangements for the transfer of assets to the Trust and the future arrangements for the use of Repairs and Renewals funding.

Council Officers will work closely with the Chair and Working Group to ensure details are agreed. Principal terms should be agreed in July, draft agreements in place by 1<sup>st</sup> January 2015 with final documentation complete by 1<sup>st</sup> March 2015.

### 3.10.8 Expectations and relationships between the Council and the Trust\*

The Council will require a Service Level Agreement with the Trust to support funding arrangements. This will set out the Council's requirements and expectations, grant level and duration, options for variation etc.

## 4. Implications

### (a) Financial Implications

The BWB business plan indicates a total of £500,000 will be saved through reduced subsidy from the Council over the first 5 years. In addition the Council will save a further £690,000 through the Trust taking over responsibility for repairs and renewals provision. With start-up costs estimated at £200,000 the total saving over five years will be circa £990,000. However, this does not include transitional arrangements for withdrawal from Council recharges. From 2019/20 onwards, the Trust will require a maximum subsidy of £150,000 per year. This may be reduced if the Trust cannot demonstrate a need for a subsidy.

Other Council services considering arm's length arrangements.

Discussion has been held with the Head of Tourism & City Centre Management about the synergy between this projects and her work in considering a sustainable arm's length model for the future delivery of tourism. Because of the advanced nature of the cultural trust project, and uncertainty over the 'fit' with other areas, a joint approach is not being pursued at the current time.

### (b) Staffing Implications

If a decision is made to set up the Trust and transfer services, staff assigned to services that move to the Trust will transfer to the Trust under TUPE. An initial TUPE consultation process will begin with the unions, those employees who are to be transferred, and those employees who will not transfer but whose job may be affected. Approximately 35 members of staff may be impacted by the proposal.

### (c) Equal Opportunities Implications

An Equalities Impact Assessment was undertaken in January 2014 (summary; full version attached as an appendix).

Age: Concern has been expressed by staff about how their pensions would be affected in any change. This is being explored and will be discussed with Trade Unions and staff at an early stage.

Disability: Opportunity to engage in the process if absent from work. Members of staff are being kept informed by a mixture of briefings from the Head of Service, emails from the Head of Service, and updates from managers at team meetings. Any formal consultation will include measures to ensure anyone with a disability has appropriate opportunity and support to participate. Any members of staff on long term absence or sick leave will be fully consulted and kept fully informed.

Pregnancy & maternity: Opportunity to engage in the process. Staff may be pregnant, or on maternity or adoption leave during transfer period. Employees will be kept fully informed and offered opportunity to engage in the processes.

Other factors that may lead to inequality: The services currently run by the Council are tasked to be responsive and promote access to a broad section of the community. In any legal agreement with a new entity, there should be an expectation that programming policy should continue to reflect the diversity of the city and that wherever feasible, options for pricing policy considered to promote access to services for people on lower incomes.

(d) **Environmental Implications** - None

**(e) Procurement**

The Council may need to consider procurement issues in relation to future provision for outdoor events if they are not transferred to the Trust.

**(f) Consultation and communication**

- § A corporate project team has been established to work on this project, and detailed consultation undertaken with HR, Legal Services, Property Services, Accountancy and Support Services.
- § Arts & Recreation staff have had the opportunity to attend regular staff briefings and have received updates via email.
- § Staff attended a session to discuss a possible vision for the new Trust.
- § A briefing has been held for elected members.
- § Trade Unions have been briefed on the proposals to date.
- § A letter and copy of this report will be emailed and posted to staff on long term absence.

(g) **Community Safety** - None

**5. Background papers**

BWB report (Exempt Report)

**6. Appendices**

- § EQIA

**7. Inspection of papers**

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

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## Annex 1

### **Immediate savings arising from creation of a Cultural Trust.**

As detailed in 3.9.9, discussions are underway to inform how best savings can be generated through a reduction in central and other recharges left behind by the Trust. However, there is an area where the Council will make immediate savings from the creation of a Cultural Trust namely, Repairs & Renewals (R&R) contributions. This provides on-going savings with a cumulative savings impact and can be used by the Council to repay the start-up costs and advances made by the Chief Executive's Efficiency Fund.

The R&R contributions will not be required because the office and operational equipment maintenance and replacement together with the internal repairs liability will move from the Council to the Cultural Trust. There are also small contributions to the Civic Rooms and also Parsons Court roadway.

Over a period of two years the Council will make cumulative savings of £276,080 (excluding inflation allowance into 2015/16 and 2016/17)

#### **Budget (Base: 2014/15)**

	£
Repairs & Renewals	
Office Equipment	18,950
Operational Equipment	66,720
Premises (Internal)	48,560
Guildhall Civic Rooms	3,070
Parson's Court Roadway	740
Ongoing savings - R&R	<b>138,040</b>

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