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Cambridge City Council

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

To: **Scrutiny Committee Members** - Councillors Pitt (Chair), Cantrill (Vice-Chair), Ashton, Benstead, Boyce, Herbert, O'Reilly and Rosenstiel

Alternates: Councillors Bird and Stuart

Leader of the Council: Councillor Bick

Executive Councillor for Customer Services and Resources:
Councillor Smith

Despatched: Wednesday, 26 June 2013

Date: Monday, 8 July 2013

Time: 5.00 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Glenn Burgess

Direct Dial: 01223 457013

AGENDA

1 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 OF THE PREVIOUS MEETING *(Pages 7 - 22)*

To approve the minutes of the meetings held on 9 April 2013 and 23 May 2013.

4 PUBLIC QUESTIONS

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 Customer Services and Resources
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Items for debate by the committee and then decision by the Executive Councillor for Customer Services and Resources.

5 2012/13 REVENUE AND CAPITAL OUTTURN, CARRY FORWARDS AND SIGNIFICANT VARIANCES - CUSTOMER SERVICES AND RESOURCES PORTFOLIO (*Pages 23 - 36*)

6 ELECTORAL MANAGEMENT SOFTWARE - PROJECT APPRAISAL (*Pages 37 - 44*)

7 OFFICE ACCOMMODATION STRATEGY

Attached separately

8 SHARED SERVICES - PAYROLL (*Pages 45 - 50*)

9 BARNWELL HOUSE OFFICES – REPLACEMENT OF WINDOWS
(Pages 51 - 60)

Decisions of the Leader

Items for Decision by the Leader, Without Debate

10 PENSIONS - AUTO ENROLMENT

Attached separately

Items for debate by the committee and then decision by the Leader of the Council

11 ANNUAL TREASURY MANAGEMENT REPORT 2012/13 *(Pages 61 - 74)*

12 2012/13 REVENUE AND CAPITAL OUTTURN, CARRY FORWARDS AND SIGNIFICANT VARIANCES - STRATEGY *(Pages 75 - 82)*

13 2012/13 REVENUE AND CAPITAL OUTTURN, CARRY FORWARDS AND SIGNIFICANT VARIANCES - OVERVIEW *(Pages 83 - 140)*

14 CCTV OPERATIONS AND SHARED SERVICES *(Pages 141 - 154)*

15 GREATER CAMBRIDGE CITY DEAL – UPDATE ON NEGOTIATIONS
(Pages 155 - 162)

16 DISTRICT HEATING SCHEME – UPDATE AND APPOINTMENT OF CITY COUNCIL REPRESENTATIVES TO SPONSORS BOARD
(Pages 163 - 186)

Information for the Public

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

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

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

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To ask a question or make a statement please notify the Committee Manager (details listed on the front of the agenda) prior to the deadline.

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

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE

9 April 2013
6.00pm - 8.40 pm

Present: Councillors Brown (Chair), Rosenstiel (Vice-Chair), Brierley, O'Reilly, Boyce, Benstead and Herbert

Leader of the Council – Councillor Bick

Executive Councillor for Customer Services & Resources – Councillor Smith

Officers Present

Chief Executive – Antoinette Jackson

Director of Customer and Community Services – Liz Bisset

Director of Environment – Simon Payne

Director of Resources – David Horspool

Head of Housing Strategy – Alan Carter

Head of Revenues and Benefits – Alison Cole

Strategy and Partnerships Manager – David Kidston

Committee Manager – Martin Whelan

FOR THE INFORMATION OF THE COUNCIL

13/23/SR Apologies for absence

Apologies were received from Councillor Ashton, Councillor Bird attended as the alternate member.

13/24/SR Declarations of interest

There were no declarations of interest.

13/25/SR Minutes of the previous meeting

The minutes of the meetings held on 21st January 2013 and 15th February 2013 were approved and signed as a correct record.

13/26/SR Public Questions

There were no public questions.

13/27/SR Irrecoverable Debts to be written off

The committee noted the decision.

Councillor Herbert sought clarification from the Executive Councillor for Customer Services and Resources and officers regarding the process whether some of the decisions on write-offs would normally have taken place at a later date. The Head of Revenues and Benefits confirmed that whilst some of the debts were relatively recently accrued there was no realistic prospect of recovery in all instances. The Executive Councillor echoed the comments from the Head of Revenues and Benefits and explained that whilst it was not ideal for the decision to have been taken out of cycle, the circumstances had necessitated it happening on this occasion.

13/28/SR Options for the Debit & Credit Card Contract (Merchant Acquirer)

Matter for Decision: To consider the options for the Debit & Credit Card Contract (Merchant Acquirer).

Decision of the Executive Councillor for Customer Services and Resources:

The Executive Councillor resolved to:

- i. Approve an extension of the current contract for a period of six months, within existing terms to enable the Council to review and evaluate the tariffs, terms and conditions under a new Eastern Shires Purchasing Organisation (ESPO) framework contract for Banking Services, to be available from April 2013.

Reasons for the Decision: As set out in the officer's report

Any alternative options considered and rejected: As set out in the officer's report

Scrutiny Considerations:

Not applicable – not requested for pre-scrutiny

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

Not applicable.

13/29/SR Customer Services and Resources Portfolio Plan 2013/14

Matter for Decision: To consider the Customer Services and Resources Portfolio Plan for 2013/14.

Decision of the Executive Councillor for Customer Services and Resources:

The Executive Councillor resolved to:

- i. Approve the Customer Services and Resources Portfolio Plan for 2013/14 subject to the following amendments
 - Addition of a performance measure for 2.5 to be agreed by the Executive Councillor in consultation with the Chair and Opposition Spokesperson.
 - Addition of Head of Tourism and City Centre Management (Emma Thornton) as the lead officer for 2.7.

Reasons for the Decision: As set out in the officer's report

Any alternative options considered and rejected: As set out in the officer's report

Scrutiny Considerations:

The Executive Councillor for Customer Services and Resources introduced the Portfolio Plan for 2013/14.

The committee made the following comments on the report

- i. Regarding objective 2.4 it was questioned whether this extended to providing additional hardware, rather than relying on officers using their own hardware to work at home. The Director of Resources explained that when homeworking was originally rolled out, officers had expressed a view that they did not want any additional hardware. In response to a further question, the Director of Resources confirmed that this process had occurred some time ago and was currently under review.
- ii. The Director of Resources was asked whether objective 2.4 extended to providing wireless connectivity in community centres and similar buildings. The committee were advised that wireless connectivity needed to be considered carefully due to the cost and security implications.
- iii. The potential for conflict between the objectives 2.1 and 2.5 was questioned. It was also questioned why 2.5 did not have a performance measure. Concern was noted and it was agreed to approve a form of wording for the performance measure outside of the meeting following consultation with the Chair and Spokes.
- iv. The lack of a lead officer for 2.7 was questioned. Following discussion it was agreed that the Head of Tourism and City Centre Management (Emma Thornton) should be the lead officer for that objective.

The Scrutiny Committee considered the recommendation and endorsed it by 4 votes to 0 subject to

- Addition of a performance measure for 2.5 to be agreed by the Executive Councillor in consultation with the Chair and Opposition Spokesperson.
- Addition of Head of Tourism and City Centre Management (Emma Thornton) as the lead officer for 2.7.

The Executive Councillor approved the recommendation.

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

Not applicable.

13/30/SR Clay Farm Land Disposal

Matter for Decision: To consider the disposal of land at Clay Farm.

Decision of the Executive Councillor for Customer Services and Resources:

The Executive Councillor resolved to:

- i. Confirm the award of a contract to a developer partner selected through a procurement process to develop the City Council's land at Clay Farm

Reasons for the Decision: As set out in the officer's report

Any alternative options considered and rejected: As set out in the officer's report

Scrutiny Considerations:

The committee resolved to exclude the press and public by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 during the consideration of appendix 2.

The committee made no comments on the public element of the report. The committee debated the appendix in closed session.

The Scrutiny Committee considered the recommendation and endorsed it by 4 votes to 0.

The Executive Councillor approved the recommendation.

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

Not applicable.

13/31/SR Discretionary Housing Payment report

Matter for Decision: To consider discretionary housing payments.

Decision of the Executive Councillor for Customer Services and Resources:

The Executive Councillor resolved to:

- ii. Agree an approach to the award of Discretionary Housing Payments that maintains discretion, as set out in the Discretionary Housing Payment procedural which is appended to the committee report and the budget as set out in the committee report.
- iii. Ask Officers to report not later than October 2013 on the operation of the scheme including if there is a need to supplement the budget for the fund.

Reasons for the Decision: As set out in the officer's report

Any alternative options considered and rejected: As set out in the officer's report

Scrutiny Considerations:

The committee received a report regarding Discretionary Housing Payments presented by the Director of Customer and Community Services and the Head of Revenues and Benefits.

The committee made the following comments on the report

- i. Clarification was requested on the arrangements for time limiting of awards, particularly where no outcome was imminent. The concern was acknowledged, but it was explained that where awards were not short-term, payments were limited to the end of the financial year due to the cash limit on the fund and the fact that the increased funding was designed to facilitate the transition of welfare reform changes.

- ii. It was suggested that the criteria on page 10 of the officer's report should also include partners who are unable to share a bedroom due to reasons of disability. It was explained that whilst this would be considered as part of a request for discretionary housing payment, each case must be considered on its own merits.
- iii. The adequacy of the funding was questioned and it was suggested that funding should be increased. With regards to this point, the following points were made
 - a. The extent of take up of the fund was currently unknown as it was a new fund.
 - b. The City Council did not have the legal power to spend more than £455,000 per year in this fund.
 - c. Members were assured that if the spend trajectory raised concerns regarding the adequacy of the fund; the issue would be escalated promptly as there is continuous monitoring of the scheme.

Following discussion it was agreed to amend the recommendations to read

- i. To agree an approach to the award of Discretionary Housing Payments that maintains discretion, as set out in the Discretionary Housing Payment procedural document which is appended to this report and the budget as set out in the officers report.
 - ii. To ask Officers to report not later than October 2013 on the operation of the scheme including if there is a need to supplement the funding within the overall maximum allowed.
- iv. In response to a question the Head of Revenues and Benefits explained which types of properties were covered by the scheme, and arrangements in place to support people.

The Scrutiny Committee considered the recommendations (as amended in point .iii) and endorsed them unanimously.

The Executive Councillor approved the recommendations as amended.

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

Not applicable.

13/32/SR Strategy Portfolio Plan 2013/14

Matter for Decision: To consider the Strategy Portfolio Plan 2013/14

Decision of the Leader of the Council:

The Leader resolved to:

- iv. Approve the Strategy Portfolio Plan for 2013/14.

Reasons for the Decision: As set out in the officer's report

Any alternative options considered and rejected: As set out in the officer's report

Scrutiny Considerations:

The Leader of the Council introduced the Strategy Portfolio Plan and outlined the key elements of the plan.

The committee made the following comments on the plan.

- i. With regards to Neighbourhood Resolution Panels the Leader was asked for an update on progress. The Leader responded that the project approved at the beginning of the 2012/13 financial year was a two year project, but had been staffed intermittently in that period and in practice was only six months into operation. The committee were advised that the first referrals were due in the summer, and that the majority of work to date had been focussed on ensuring that the appropriate protocols were in place with the Police and other partners. It was highlighted that it was planned to carry forward the funding for an additional period of time in lieu of the period in which the project had not been staffed.

- ii. The Leader was asked what barriers existed to progress with the City Deal, and whether these related to governance. The Leader explained that it was important to ensure that the governance arrangements were fair and equitable, and that negotiations were on-going with central government. The Leader explained that the proposals were well placed to succeed.
- iii. With regards to objective 1.2 the Leader was asked for clarification regarding the engagement target. The Leader acknowledged that the engagement activity was already at a very high level and would be more appropriately phrased as an outcome based target.
- iv. The Leader was asked why there was no reference to engagement with the Police and Crime Commissioner in the plan. The Leader advised that it was strongly implied in objective 1.4.
- v. The Leader was asked for more information on objective 1.1 and whether more information was available. The committee were informed that the ownership of the target sat with the Community Safety Partnership of which the City Council was one partner organisation.
- vi. In a response to a question regarding objective 3.1 the Leader confirmed that the City Council were exploring a range of options to increase and maximise income.

The Scrutiny Committee considered the recommendation and endorsed it by 4 votes to 0.

The Leader approved the recommendation.

Conflicts of Interest Declared by the Leader (and any Dispensations Granted):

Not applicable.

13/33/SR Safer City Grant Scheme 2012/13: Report on Operation

The committee noted that the report had been withdrawn.

13/34/SR Annual Review of the Council's Single Equality Scheme (2012 to 2015)

Matter for Decision: To consider the Annual Review of the Council's Single Equality Scheme (2012 to 2015).

Decision of the Leader

The Leader resolved to:

- v. Note the progress and achievements during the first year of the City Council's Single Equality Scheme.
- vi. Approve the actions for the second year of the City Council's Single Equality Scheme.

Reasons for the Decision: As set out in the officer's report

Any alternative options considered and rejected: As set out in the officer's report

Scrutiny Considerations:

The committee received a report regarding the Annual Review of the Council's Single Equality Scheme (2012-2015) presented by the Strategy and Partnerships Manager.

The committee made the following comments on the report

- i. The Leader was asked to comment on the quality and robustness of the existing equalities impact assessment (EQIA) process. The Leader explained that the process was under constant evolution and responded to challenges as they arose.
- ii. The Leader was questioned on how the Council was proposing to respond to the census results, which indicated a significant increase in the BME and non-white British communities in Cambridge. The suggestion of reviewing the employment targets was welcomed. The Leader welcomed the comments and agreed that the Council would need to review a wide range of issues as more detailed information becomes available through the census process.

- iii. Clarification was requested on the reference to 2011 on page 108 of the committee report, and whether it should actually refer to 2001. The error was noted.
- iv. Concern was expressed that white minority ethnic groups could be “hidden” in certain statistical approaches.
- v. Support was expressed for the suggestion in the Leaders introduction that training should be provided to Councillors on mental health issues.
- vi. Concern was expressed that engagement with the limited number of references to traveller communities in the report. It was suggested that members of the community may be resistant to identifying themselves as such due to the risk of discrimination. The committee were advised that Cambridge was an important Romany location, as Midsummers Fair was one of major gathering points for the community during the year. The Strategy and Partnerships Manager welcomed the comments and outlined the range of engagement undertaken across the Council by officer, and agreed that information in the plan could be expanded.
- vii. Greater engagement was requested with South Cambridgeshire District Council on gypsy and traveller issues. The Head of Strategic Housing explained that there was already extensive engagement, and that it was hoped to identify suitable sites through the local plan processes in each authority.
- viii. The committee also noted the significant engagement undertaken by the City Council with the traveller community in preparation for the Holocaust Memorial Day.
- ix. The difficulties in identifying potentially obscured issues in the EQIA process were highlighted. A specific issue with a recent assessment prepared for the Public Toilet Working Party which had not considered any issues regarding gender re-assignment was highlighted. The Strategy and Partnerships Manager acknowledged the concern, and explained the approach taken in the preparation of assessments. The committee were assured that officers were encouraged to seek advice where appropriate in preparing assessments.

The Scrutiny Committee considered the recommendation and endorsed it by 4 votes to 0.

The Leader approved the recommendation.

Conflicts of Interest Declared by the Leader (and any Dispensations Granted):

Not applicable.

The meeting ended at 8.40 pm

CHAIR

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

23 May 2013
2.08pm - 2.10 pm

Present: Councillors Pitt (Chair), Cantrill, Ashton, Benstead, Boyce, Herbert, O'Reilly and Rosenstiel

Also Present: The Leader: Councillor Bick
Executive Councillor for Customer Services and Resources: Councillor Smith

FOR THE INFORMATION OF THE COUNCIL

13/35/SR Appointment of Equalities Panel

The Scrutiny Committee agreed the four nominations below:

Cllrs: Brown, Bick, Bird and Johnson

13/36/SR Appointment of Joint Staff Employer Forum

The Scrutiny Committee agreed the membership of Joint Staff Employer Forum:

Cllrs: Smart, Boyce, Swanson, Gawthrope, Dryden and Bird

Alt: Kightley

The Scrutiny Committee agreed the Chair for the Forum:

Nomination for Chair: Smart

Nomination for Vice-Chair: Boyce

13/37/SR Appointment to Outside Bodies

The Scrutiny Committee recommended appointment to the outside bodies listed below.

The Leader and the Executive Councillor for Customer Services and Resources agreed the appointments.

City University Forum - ARU (4)

Cllrs: Brown, Saunders, O'Reilly and Marchant-Daisley

LGA Urban Commission (2)

Cllrs: Rosenstiel and O'Reilly

Greater Cambridge Greater Peterborough Local Enterprise Partnership (1)

Cllr: Bick

Opposition Spokes: Herbert

Local Government information Unit (1)

Cllr: Rosenstiel

Police and Crime Panel (1)

Cllr: Bick

Alt: Smart

East of England Local Government Association (1)

Cllr: Bick

LGA General Assembly (1)

Cllr: Bick

Horizons Board (1)

Cllr: Bick

City Community Safety Partnership (1)

Cllr: Bick

Opposition Spokes: Herbert

Director Representative on the BID Board (1)

Cllr: Reiner

Member Training Champions (2)

Cllrs: Boyce and O'Reilly

Appointment of Directors: University Site – Joint Venture Company (3)

Cllrs: Cantrill, Reid, Blencowe

The meeting ended at 2.10 pm

CHAIR

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To Executive Councillor for Customer Services & Resources
Report by Chief Executive, Director of Customer & Community Services, Director of Environment and Director of Resources
Relevant Scrutiny Committee Strategy & Resources 8 July 2013

2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances

Not a Key Decision

1. Executive summary

- 1.1 This report presents a summary of the 2012/13 outturn position (actual income and expenditure) for services within the Customer Services & Resources portfolio, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2013/14 (and for capital later years) are identified.
- 1.2 It should be noted that outturn reports being presented in this Committee cycle reflect the reporting structures in place prior to the recent changes in Executive portfolios. In light of those changes (together with the requirement to report outturn on the basis of portfolios in place during 2012/13) members of this committee are asked to consider the proposals to carry forward budgets and make their views known to The Leader, for consideration at Strategy & Resources Scrutiny Committee prior to his recommendations to Council.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals:

- a) To carry forward £105,170 of revenue budgets from 2012/13 to 2013/14, as detailed in Appendix C.

- b) To carry forward capital resources to fund re-phased net capital spending of £881,000 from 2012/13 into 2013/14 and future years, as detailed in Appendix D.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Customer Services & Resources portfolio, compared to the final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for this portfolio, for which approval is sought to carry forward unspent budget from 2012/13 to the next financial year, 2013/14.
- 3.4 The overall revenue budget outturn position for the Customer Services & Resources portfolio is set out in the table below:

Customer Services & Resources Portfolio 2012/13 Revenue Summary	£
Final Budget	(5,308,410)
Outturn	(5,452,450)
Variation – (Under)/Overspend for the year	(144,040)
Carry Forward Requests:	
Revenue and Benefit Services	41,910
Human Resources	63,260
Total Carry Forward Requests	105,170
Net Variance	(38,870)

The variance represents 0.7% of the overall portfolio budget for the 2012/13 financial year.

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Customer Services & Resources portfolio, with explanations of variances.
- 3.6 An overall underspend of £1,427,000 has arisen. £881,000 is due to slippage and re-phasing of the capital programmes is required to transfer the budget into 2013/14 and future years. The remaining variance of £546,000 is a result of net underspends on individual capital schemes and programmes.

4. Implications

- 4.1 The net variance from the final budget, after approvals to carry forward budget of £105,170 from 2012/13 to the next financial year, 2013/14, would result in a reduced use of General Fund reserves of £38,870.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2013/14, the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

5. Background papers

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

- Closedown Working Files 2012/13
- Directors' Variance Explanations – March 2013
- Capital Monitoring Reports – March 2013
- Budgetary Control Reports to 31 March 2013

6. Appendices

- Appendix A - Revenue Budget 2012/13 - Outturn
- Appendix B - Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2012/13 - Carry Forward Requests
- Appendix D - Capital Budget 2012/13 - Outturn

7. Inspection of papers

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

Authors' Names:	Linda Thompson; John Harvey
Authors' Phone Numbers:	Telephone: 01223 - 458144; 01223 - 458143
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Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget - 2012/13 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Resources						
Finance - General	(536,530)	(727,000)	(632,456)	94,544	0	94,544
General Properties and Grand Arcade	(7,261,180)	(7,240,190)	(7,270,945)	(30,755)	0	(30,755)
Procurement	0	0	(5,742)	(5,742)	0	(5,742)
Finance - Indirect	0	0	(14,797)	(14,797)	0	(14,797)
Systems Support - Indirect	0	0	1,004	1,004	0	1,004
Mill Road Support Services	0	0	(28,663)	(28,663)	0	(28,663)
Repairs and Maintenance (General Fund)	0	267,690	267,690	0	0	0
	(7,797,710)	(7,699,500)	(7,683,909)	15,591	0	15,591
Other IT Spend						
Flexible Working / IT Corporate Strategy / Document Image Processing	222,980	170,000	170,305	305	0	305
	222,980	170,000	170,305	305	0	305
Human Resources						
Employee Travel Plan	0	0	204	204	0	204
Childcare Voucher Scheme	0	0	10,943	10,943	0	10,943
GMB	0	0	931	931	0	931
Unison	0	0	(1,405)	(1,405)	0	(1,405)
Emergency Planning	0	0	(6,858)	(6,858)	0	(6,858)
Quality/Health and Safety Management - Indirect	0	0	(9,317)	(9,317)	0	(9,317)
	0	0	(5,502)	(5,502)	0	(5,502)
Chief Executive's						
Democratic Services	297,110	297,460	301,392	3,932	0	3,932
	297,110	297,460	301,392	3,932	0	3,932
Customer and Community						
Cashiers	0	0	(2,094)	(2,094)	0	(2,094)
Customer Access Strategy - Set Up / Implementation	0	0	0	0	0	0
Customer Service Centre	0	0	(1,693)	(1,693)	0	(1,693)
Central Post Scanning Facility	314,880	271,940	262,791	(9,149)	0	(9,149)
Revenue and Benefit Services	1,982,110	1,775,900	1,647,197	(128,703)	41,910	(86,793)
	2,296,990	2,047,840	1,906,201	(141,639)	41,910	(99,729)
Environment						
Land Charges and Searches	(63,770)	(73,570)	(98,137)	(24,567)	0	(24,567)
Tourism	106,790	133,370	163,605	30,235	0	30,235
City Centre Management	131,050	146,800	143,921	(2,879)	0	(2,879)
Markets	(332,920)	(330,810)	(350,326)	(19,516)	0	(19,516)
Control of Street Trading	2,660	0	0	0	0	0
	(156,190)	(124,210)	(140,937)	(16,727)	0	(16,727)
Direct Services Total	(5,136,820)	(5,308,410)	(5,452,450)	(144,040)	41,910	(102,130)
Support Services (net costs recharged to Departments)						
Accountancy and Support Services	1,360,470	1,531,630	1,504,410	(27,220)	0	(27,220)
Other Support Services	255,590	234,580	225,968	(8,612)	0	(8,612)
Internal Audit	371,790	321,900	313,814	(8,086)	0	(8,086)
Human Resources	955,690	1,025,010	921,396	(103,614)	63,260	(40,354)
IT	2,865,460	2,689,490	2,640,862	(48,628)	0	(48,628)
Legal Services	930,890	923,800	926,274	2,474	0	2,474
Property and Building Services (including Admin Buildings)	3,907,480	3,192,890	3,195,598	2,708	0	2,708
Architects	198,210	190,730	196,513	5,783	0	5,783
	10,845,580	10,110,030	9,924,835	(185,195)	63,260	(121,935)
Recharged to Departments	(10,845,580)	(10,110,030)	(9,924,835)	185,195	0	185,195
Support Services (net)	0	0	0	0	63,260	63,260
Total Net Budget	(5,136,820)	(5,308,410)	(5,452,450)	(144,040)	105,170	(38,870)

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget - 2012/13 Outturn

Changes between original and revised budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to capital accounting
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
 - in September (as part of the Medium Term Strategy (MTS))
 - in the January committee cycle (as part of the budget setting report)
- and via technical adjustments/virements throughout the year

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Resources			
Finance - General	Of this overall variance £66k relates to impairment of Icelandic Bank deposits, as a consequence of changes in the expected profile of repayments. (The overall percentages which the Council expects to recover remain unchanged.) Of the remaining variance the majority, £30k, reflects a larger proportion of investment interest receipts being attributable to the Housing Revenue Account as a result of higher than anticipated HRA balances.	94,544	Julia Minns
General Properties and Grand Arcade	The variance is primarily due to the receipt of one-off additional rental income of £39,884 following the completion of the rent audit for the Grand Arcade shopping centre during the latter stages of the 2012/13 financial year.	(30,755)	Philip Doggett
Mill Road Support Services	The variance is largely due to the delay in recruiting to vacant posts following the Support Services restructure.	(28,663)	Althea Mejias
Customer and Community			
Revenue and Benefit Services	The main variances are due to unspent Homelessness Prevention Funding of (£41,910) for which a carry forward of budget is requested (see Appendix C), higher than forecast recovery of benefit overpayments from claimants no longer claiming benefits of (£11,581), higher than forecast recovery of Local Taxation legal costs of (£16,887) and higher than forecast Local Taxation Court costs recovered of (£46,739) - £280,009 collected against forecast of £233,270 (a one-off increase of £46,739).	(128,703)	Alison Cole
Environment			
Land Charges and Searches	Over achievement of fee income as a result of an increase in the number of Land Charge requests over the last 2 quarters.	(24,567)	Paul Boucher
Tourism	Commercial and Guided Tours income was lower than the same period last year. This was due to a 25% reduction in footfall as a result of very poor weather and the Olympics having a negative effect on local tourism. The final outturn position was reduced through the introduction of daily monitoring of income performance from the beginning of January 2013. This will now continue moving forward. The service is reviewing all its income generating activity and identifying opportunities to both increase footfall to the TIC, whilst also reducing dependency on income through the TIC. In light of the challenge with the Tourism service, other cost centres within the service were equally closely monitored, resulting in a net £8k overspend across the Tourism and City Centre Management service as a whole.	30,235	Emma Thornton

**Customer Services & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2012/13 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
Support Services Accountancy and Support Services	Net underspending for the year predominantly relates to employee budget underspending of £13,620 reflecting an overprovision for employer pension fund contributions, combined with an underspending of the budget for recruitment. The balance relates to net underspending of various supplies and services budgets.	(27,220)	Julia Minns
Human Resources	The underspend includes the balance of the organisational change budget of £63,260, which has been allocated to the Managers' Skills programme. The Managers' Skills programme has now been implemented and will be completed by August 2014. A carry forward of budget of £63,260 will be required to complete the programme (see Appendix C). The remaining variance relates to minor employee cost and supplies and services underspends.	(103,614)	Deborah Simpson
IT	The variance is mainly due to minor underspends on IT Contract costs.	(48,628)	James Nightingale

**Customer Services & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item	Reason for carry forward request	Carry Forward Requests £	Contact
1	<p>Revenue and Benefit Services Request to carry forward unspent Homelessness Prevention funding of £41,910 to support Discretionary Housing Payments as outlined within the report to Strategy & Resources Scrutiny Committee on 9 April 2013.</p>	41,910	Alison Cole
2	<p>Human Resources The HR service underspend includes the balance of a corporate budget earmarked to support organisational change and allocated to the Managers' Skills Programme. There is a request to carry forward the balance of £63,260 to complete the programme. The Managers' Skills programme has been implemented and will be completed by August 2014.</p>	63,260	Deborah Simpson
	Total Carry Forward Requests for Customer Services & Resources Portfolio	105,170	

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend	Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000				
SC335	Customer Access Strategy - IT Workstream	C Bolton	0	76	56	(20)	20	0	Project is nearing completion. Remaining budget is required for final project management/IT costs.					
SC537	Additional Desks and Interview Room in Customer Service Centre	C Bolton	25	25	28	3	0	3	Scheme completed. Overspend of £3k has been financed from repairs and renewals funding.					
SC538	Information Kiosks to be Installed in Local Area	C Bolton	25	25	0	(25)	25	0	Contract has been awarded. Kiosks to be installed by end of August 2013.					
SC555	Siemens Maintenance Contract	C Bolton	0	75	8	(67)	67	0	Contract has been awarded. Project will be completed in the 2013/14 financial year.					
SC508	E-Benefits	A Cole	0	5	0	(5)	5	0	Remaining budget is required for final project support/IT costs.					
SC552	Localisation of Council Tax - Implementation Costs	A Cole	0	84	73	(11)	11	0	Software purchased. The remaining budget is required for project support/IT costs.					
SC391	La Mimosa Punting Station	P Doggett	0	10	0	(10)	10	0	Investigating possible match funding by punt operators for a combined pontoon with storage facility.					
SC559	CBbid Software	K Jay	0	20	17	(3)	3	0	Remaining budget is required for final project support/IT costs.					
SC429	Telephony System Upgrade	J Nightingale	50	15	0	(15)	15	0	Project now planned for the 2013/14 financial year. (There is existing budget provision of £35k in the 2013/14 financial year.)					
SC541	Corporate PC Replacement Programme	J Nightingale	350	350	234	(116)	116	0	Due to supplier delays, procurement of laptops was not completed in March as planned. Procurement is now underway.					
SC550	Cambridge Future City Feasibility Study	J Nightingale	0	50	47	(3)	0	(3)	Scheme completed.					
SC312	Automated Energy Monitoring System	J Stocker	0	23	0	(23)	0	(23)	Capital budget no longer required. Currently negotiating with existing gas shipper for the installation of Automatic Meter Reading (AMR) meters. There will be an ongoing annual revenue expenditure commitment for data collection.					

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend	Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000				
SC362	Lighting and Power in Committee Rooms	J Stocker	15	15	15	1	1	(14)	14	0	0	0	Lighting design has been completed. Members' approval will need to be sought before completion of installation.	
SC558	Boiler Replacement at Mill Road Admin Block	J Stocker	0	30	30	33	3	0	0	3	0	0	Scheme completed. Overspend of £3k has been financed from repairs and renewals funding.	
SC507	Visit Cambridge Website	E Thornton	0	10	10	8	(2)	2	0	0	0	0	Carry forward of £2k requested which will be used towards the development of a mobile version of the Visit Cambridge website. This formed part of the original project specification. This has been delayed due to reduced staff resource due to maternity leave but will be delivered in the first half of next year.	
SC539	Metered System for the Supply of Electricity on the Market	A White	50	0	0	0	0	0	0	0	0	0	Scheme re-phased to the 2013/14 financial year.	
SC540	Electronic Market Management Software	A White	22	22	22	8	(14)	14	0	0	0	0	New system has gone live and is in final stages of testing integration with Oracle. Payment is in stages with final stage three months after successful implementation.	
Total Projects			537	835	513	(322)	302	(20)						

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13	Final Budget 2012/13	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC554	Development of Land at Clay Farm	A Carter	0	2,113	1,752	(361)	361	0	The costs incurred are in respect of the Collaboration Agreement with Countryside. Rate of invoices from Countryside relate directly to rate of house-building which is variable and beyond our control. Target completion date is long stop date in draft Development Agreement and equates to four years from estimated planning approval. Budget of £361k needs to be re-phased to the 2016/17 financial year.
SC192	Development Land on the North Side of Kings Hedges Road	P Doggett	182	80	36	(44)	44	0	A contractor for the remaining Stage 2 infrastructure works has now been appointed. Following receipt of revised estimates from the managing agent, budget of £44k needs to be re-phased to the 2014/15 financial year.
SC221b	Lion Yard - Contribution to Works - Phase 2	P Doggett	1,793	1,200	679	(521)	0	(521)	This is a scheme whereby we contribute 25% of the overall cost of the capital works at Lion Yard. Further costs are due to be paid in the 2013/14 financial year. Following receipt of forecast cost information from the Lion Yard managing agent, the 2013/14 capital budget of £617k is deemed to be sufficient to fund the final scheme costs. The remaining 2012/13 capital budget of £521k does not therefore need to be carried forward to the 2013/14 financial year.
SC329	Corporate Document Management (DIP & EDRM)	J Nightingale	350	73	37	(36)	36	0	Following roll-out to services directly relating to the customer services centre bids are being sought from other services against the remaining balance. An updated position is scheduled to be reported in September 2013 including recommendations on the level of funding to be retained.
Total Provisions			2,325	3,466	2,504	(962)	441	(521)	

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend		Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
PR023	Admin Buildings Asset Replacement Programme	W Barfield	98	121	78	121	78	(43)	43						The Admin Buildings Asset Replacement work programme will be reviewed during the 2013/14 financial year following completion of new condition surveys.
PR024	Commercial Properties Asset Replacement Programme	W Barfield	77	44	34	44	34	(10)	10						The Commercial Properties Asset Replacement work programme will be reviewed during the 2013/14 financial year following completion of new condition surveys.
PR020	ICT Infrastructure Programme	J Nightingale	525	1,029	944	1,029	944	(85)	85						Slippage on several projects resulted in work not being completed to the original timescales. The relevant projects should be completed by end June/early July 2013.
PR003	City Centre Management Programme	E Thornton	20	20	15	20	15	(5)	0						Scheme will continue to be promoted through the Cambridge BID and the city centre business community in general.
Total Programmes			720	1,214	1,071	1,214	1,071	(143)	138						
Total for Customer Services & Resources Portfolio			3,582	5,515	4,088	5,515	4,088	(1,427)	881						

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Cambridge City Council

To: Executive Councillor for Customer Services and Resources
Report by: Democratic Services Manager
Scrutiny committee: STRATEGY AND RESOURCES 8
JULY 2013
Wards affected: All

Project Appraisal and Scrutiny Committee Recommendation

Project Name: Electoral management software

Recommendations

Financial recommendations:

The Executive Councillor is asked to recommend this scheme (which is not included in the Council's Capital & Revenue Project Plan) for approval by Council, subject to resources being available to fund the capital and revenue costs.

- The total cost of the project is up to £25,000 funded from Corporate Strategy repairs and renewals funding.
- The ongoing revenue costs of the project are up to £10,000 per annum which will be funded from electoral services base budgets

Procurement recommendations:

The Executive Councillor is asked to approve the carrying out and completion of the procurement of electoral management software subject to:

- The permission of the Director of Resources being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
- The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

Project Name: Electoral Management Software

1 Summary

1.1 The project

Purchase of electoral management software for a five year period.

Target Dates:

Start of procurement	July 2013
Award of Contract	December 2013
Start of project delivery	February 2014
Completion of project	March 2014

1.2 Anticipated Cost

Total Project Cost	£ up to 25,000
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Cost Funded from:

Funding:	Amount:	Details:
Reserves	£	
Repairs & Renewals	£ up to 25,000	1081 – Corporate Strategy
Developer Contributions	£	N/a
Climate Change Fund	£	N/a
Other	£	N/a

1.3 Procurement process

This will be a joint procurement with Fenland District Council with the City Council as lead authority. All other district councils in the county had been approached.

2 Project Appraisal & Procurement Report

2.1 Project Background

Electoral Management Software (EMS) is required by all Electoral Registration Officers and Returning Officers to meet the statutory requirements for electoral registration and running elections. The software is provided by four companies, with two dominating services to councils in the UK. The City Council has been using the services of Halarose, since 2005. In 2012, the contract was extended for one further year to December 2013 with a view to going out to tender in late 2013 and this is reflected in the 2013/14 Corporate Strategy Operational Plan.

It is sensible to test the market again now not only as it has been eight years since we did, but also more importantly to seek through the procurement that the City Council has the best product for its needs going forward. With the introduction of Individual Electoral Registration in July 2014, the Government is encouraging local authorities to check that they are satisfied with the EMS it uses.

Since the approval of the Operational Plan, the Government has determined that the household Canvass 2013/14 will begin from 1 October with the new Register being published in February 2014 (so that the Electoral Register is as up to date as possible in preparation for the launch of IER in July 2014).

The new contract will be for five years.

2.2 Aims & objectives

Where people matter - The software procured enables citizens to be registered to vote in elections.

2.3 Major issues for stakeholders & other departments

There will be training provided to internal users of electoral software as necessary.

2.4 Summarise key risks associated with the project

- joint procurement inhibits the city council achieving its objectives
- the specification for services does not clearly set out our expectations
- newly appointed ICT contract provider is due to start in July
- project is delayed by unforeseen matter

2.5 Financial implications

- Appraisal prepared on the following price base: 2013/14

2.6 Net revenue implications (costs or savings)

Revenue	£	Comments
Maintenance	8,000	From 2014/15
R&R Contribution	2,000	From 2014/15
Developer Contributions	N/a	
Energy savings	(0)	
Income / Savings	(0)	
Net Revenue effect	10,000	Cost (funded from base budget)

2.7 VAT implications

There are no apparent VAT Implications by undertaking this project.

2.8 Energy and Fuel Savings

(a) Is this project listed in the Carbon Management Plan?	No
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2.9 Climate Change Impact

Positive Impact		No effect	Negative Impact	
	+L			

It is expected that we will reduce the amount of paper produced in electoral services through the use of electoral management software and its working application with the Council email system when transferred to MS Outlook within 18 months.

2.10 Other implications

An Equality Impact Assessment (EqIA) has not been prepared for this project. However the requirements that electoral services provide in registering voters and running elections follow guidance from the Electoral Commission and with performance standards set.

2.11 Staff required to deliver the project

The Electoral Services Manager will lead the project with the necessary support from Democratic Services Manager, ICT Client Team, legal, procurement, internal audit and accountancy.

2.12 Dependency on other work or projects

n/a

2.13 Background Papers

n/a

2.14 Inspection of papers

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Date prepared:	15/5/13

Capital Project Appraisal - Capital costs & funding - Profiling

Appendix A

	2013/14	2014/15	2015/16	2016/17	2017/18	Comments
	£	£	£	£	£	
Capital Costs						
Building contractor / works						
Purchase of vehicles, plant & equipment	25,000					
Professional / Consultants fees						
Other capital expenditure:						
Total Capital cost	25,000	0	0	0	0	
Capital Income / Funding						
Government Grant						
Developer Contributions						
R&R funding	25,000					1081-Corporate Strategy
Earmarked Funds						
Existing capital programme funding						
Revenue contributions						
Total Income	25,000	0	0	0	0	
Net Capital Bid	0	0	0	0	0	

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To: Executive Councillor for Customer Services and Resources: Councillor Julie Smith
Report by: Director of Resources
Relevant scrutiny committee: Strategy & Resources 8/7/2013
Scrutiny Committee
Wards affected: All Wards

PAYROLL - SHARED SERVICES Not a Key Decision

1. Executive summary

- 1.1 Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC) both operate in-house payroll services for approximately 1,100 and 550 employees respectively. Both organisations utilise the same integrated Payroll & HR System, called Resourcelink, which was selected and independently implemented by each authority following a joint procurement exercise in 2004.
- 1.2 The potential benefits from operation of a shared payroll service have been explored by officers from the perspective of the need to reduce the costs of delivering 'back office' services and also to improve the resilience of the service, reducing the risk of possible service failure as a consequence of staff absence or key person dependency. SCDC's payroll service is currently provided by 1.62 full time equivalent staff. The payroll service at CCC is provided by 2.1 full time equivalent payroll staff (plus some data input support following the Council's recent Departmental Support Service Review).
- 1.3 This report summarises the detailed Draft Business Case which has been drawn up by officers of both authorities and seeks in principle approval for the establishment of a shared payroll service in partnership with South Cambridgeshire District Council.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve in principle the establishment of a shared Payroll Service with South Cambridgeshire District Council as detailed in this report.
- 2.2 Approve the delegation of authority to the Director of Resources, in consultation with the Executive Councillor for Customer Services and Resources, to implement the shared service subject to the viability of the Final Business Case.
- 2.3 Approve the delegation of authority to the Director of Resources and the Head of Legal Services, to agree legal protocols to govern the shared services arrangements.

3. Background

- 3.1 Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC) operate in-house payroll services utilising the same Payroll / HR software Resourcelink from Northgate Arinso UK Ltd which was procured through a joint project in 2004.
- 3.2 SCDC's payroll service is provided by 1.62 full time equivalent staff (FTE). The payroll service at CCC is provided by 2.1 FTE (plus some additional data input support following the Council's Departmental Support Service Review).
- 3.3 CCC pay just over 1,100 employees and SCDC pay approximately 550 employees (including Councillors).
- 3.4 Both authorities have invested significant time and resource in their existing systems, which provide not only payroll functionality but also fully integrated Human Resource systems dealing with key functions including recruitment and absence management. The systems are also utilised to provide crucial business intelligence through its reporting capabilities using Business Objects.
- 3.5 SCDC and CCC share concerns regarding the resilience of their respective payroll services and the need to reduce the costs of back office services.
- 3.6 The key objectives of the proposed shared service are to improve the resilience of the payroll service by pooling resources and expertise and to reduce the on-going costs of the service in the longer term.
- 3.7 Legal protocols to manage and govern the future operation of the shared service will need to be agreed between respective partners. The recommendations request delegated authority to the Director of

Resources and the Head Legal Services to agree these protocols in consultation with colleagues from SCDC.

- 3.8 SCDC has already sought and obtained approval from its Cabinet (April 2013) to proceed with arrangements to implement a shared payroll service.

Options Considered

- 3.9 The project team for the delivery of a payroll service has considered a number of options:

(a) Maintain existing services within each Council – Both organisations have concerns about the resilience of their payroll teams; with these concerns and the desire to reduce the costs of back office services it has been deemed this is not a preferred option.

(b) Share IT system (one organisation to host and maintain) - Both organisations would utilise the same payroll system (Resourcelink from Northgate Arinso), an option would be to share the costs and maintenance of the system (including statutory legislation upgrades) but retain payroll teams in each of the Councils. Sharing the costs of IT would have some financial benefits but would not address the issue of resilience for both teams. For the hosting organisation it would put additional pressure on a small team and would not address concerns regarding key person dependency.

(c) Outsource payroll service to a bureau / direct payroll service - The option to outsource the payroll service for both organisations has been considered.

Outsourcing would bring some financial benefits and provide some reassurance on resilience; however each organisation would need to ensure it retains staff with payroll knowledge to ensure it complies with PAYE legislation, complies with each organisation terms and conditions and policies. Retained staff will also need to collate, validate and pass the information to the payroll provider.

(d) Implement shared payroll service - Sharing the payroll service will provide financial benefits and ensure the continuity and resilience of the service for both organisations. Additional benefits of a shared payroll service include:

- (i) Retention of skilled and knowledgeable staff
- (ii) Improvements in service quality
- (iii) Providing service users with access to specialist staff and systems

Implementation

- 3.10 Implementation Options - The recommended model assumes one payroll database hosted by CCC; SCDC employee would become what is referred to as a 'control group' on the CCC Resourcelink software.
- 3.11 Implementation Costs - Northgate have supplied indicative costs after consulting with their development, sales and consultancy teams. Northgate's offer assumes a contract which expires in 2018. There is no upfront payment to purchase the software. Instead a fee is paid each year to cover the software licence and the support and maintenance provided by Northgate.
- 3.12 On-going Support -The model assumes support from Northgate. This delivers software upgrades, service packs, access to a Support Team and the Northgate HR Customer Extranet web site, including a technical database.
- 3.13 Software Upgrades - Vendors release new versions of their software and de-support older versions. The Business Case model allows for this through annual contributions to a Repairs & Renewals Fund.
- 3.14 Employees and Councillors of both organisations will see no change to the service and pay days / processes will remain the same for each authority. Once the service is established we will take the opportunity to learn from each other in respect of best practice and review the processes and procedures accordingly.
- 3.15 Once the service is established there may be further opportunities to promote the payroll shared service with other authorities to increase income.
- 3.16 It is anticipated that the shared payroll service will be in operation for the start of the 2014/2015 financial / tax year subject to the viability of the Final Business Case.

4. Implications

(a) Financial Implications

- 4.1 The draft business case highlights the potential one off 'set up' costs to implement the shared service. It is unknown at this stage what support will be required from Northgate for set up, consultancy and

data migration work, the estimated 'worst case' set up costs will be £14,400 per authority.

- 4.2 In respect of savings, the 'worst case' scenario would result in no savings but a more resilient service; the 'best case' would result in savings just over £15,000 per authority per annum

(b) Staffing Implications

- 4.3 If the Councils proceed with the shared service option there will be a period of consolidation to ensure that all processes and procedures are working and established. After this consolidation period there is likely to be an Economical Technical Organisation (ETO) restructure, as a result of this ETO restructure it is envisaged that there will be a small reduction in staff numbers. Both payroll teams are very small, the current total FTE level for both Council payroll teams is 4.18 FTE, following the ETO restructure the FTE level for the shared service may reduce to 3.14 FTE. We are unable to quantify at this stage whether this would result in redundancies, it is likely that the proposed structure will include positions that would qualify as suitable alternative employment for existing staff, with this and the use of temporary or fixed term staff we are optimistic that there will be no redundancies.

(c) Equal Opportunities Implications

- 4.4 An equality Impact Assessment was considered but deemed not relevant.

(d) Environmental Implications

- 4.5 There are no environmental implications from this proposal.

(e) Procurement

- 4.6 There are no procurement implications from this proposal

(f) Consultation and communication

- 4.7 Staff providing the payroll service are aware of the initial discussions that have been taking place between the two councils. Formal consultation with staff will be held prior to any agreed TUPE transfer and restructuring.

4.8 The trade unions are aware that the council is considering shared service arrangements and will be formally involved in any future consultation activity.

(g) **Community Safety**

4.9 There are no additional implications from this proposal

5. Background papers

5.1 Shared Payroll Services - Draft Business Case

6. Appendices

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

To: Executive Councillor for Customer Services and Resources: Councillor Julie Smith
Report by: Dave Prinsep, Head of Property
Scrutiny committee: STRATEGY & RESOURCES 8/7/2013
SCRUTINY COMMITTEE
Wards affected: All

Project Appraisal and Scrutiny Committee Recommendation

Project Name: Barnwell House Offices – Replacement of Windows

Recommendation/s

Financial recommendations –

- The Executive Councillor is asked to approve the commencement of this scheme, which is already included in the Council's Capital & Revenue Project Plan (PR024 – Commercial Properties Asset Replacement Programme).
 - The total cost of the project is £50,000 funded from repairs and renewals fund contributions.
 - The project will achieve savings of £700 per annum.

Procurement recommendations:

- The Executive Councillor is asked to approve the carrying out and completion of the procurement of the replacement of the windows within the Barnwell House Offices.
- Subject to:
 - The permission of the Director of Resources being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
 - The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

Project Name: Barnwell House Offices – Replacement of Windows

1 Summary

1.1 The project

The project is for the replacement of the existing single glazed windows within the Barnwell House Offices (leased-out commercial properties) with double glazed sealed units.

Target Dates:

Start of procurement	July 2013
Award of Contract	July 2013
Start of project delivery	August 2013
Completion of project	October 2013
Date that project output is expected to become operational (if not same as above)	

1.2 Anticipated Cost

Total Project Cost	£50,000
--------------------	---------

Cost Funded from:

Funding:	Amount:	Details:
Reserves	£0	
Repairs & Renewals	£50,000	27720 Commercial Properties Repairs and Renewals Fund
Developer Contributions	£0	
Climate Change Fund	£0	
Other	£0	

1.3 Procurement process

An external glazing contractor will undertake the works.

The Estates & Facilities Asset Management Team has organised the procurement process through the Council's planned maintenance framework using Kier as the lead contractor. Kier has secured competitive quotations from the market for this work.

All other resources will be met from in-house staffing levels.

2 Project Appraisal & Procurement Report

2.1 Project Background

The project is for the replacement of the existing single glazed windows within the Barnwell House Offices (leased-out commercial properties) with double glazed sealed units.

Barnwell House Offices are owned by the City Council and are leased out to commercial office tenants. The Council is responsible for the upgrade works and the costs cannot be recharged to or recovered from the building tenants.

2.2 Aims & objectives

The replacement of the windows within the Barnwell House Offices meets the Council's vision for:

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

An Energy Performance inspection for Barnwell House Offices was carried out in November 2009 by an accredited Energy Assessor. In the accompanying Energy Performance Recommendation Report, the following comments were made:

"Some glazing is poorly insulated and has high U-values; [which are indicators of poor energy conservation]. Recommend replacing glazing and frames"

Replacement of existing single glazed windows (installation was part of original building construction around 1985) with double glazed sealed units was identified as having a High potential positive impact on the energy performance of this building and will be likely to reduce the production of CO₂ required to heat the building in cold weather and also by reducing the use of powered portable cooling appliances by office tenants during warm weather.

2.3 Major issues for stakeholders & other departments

All tenants of Barnwell House Offices will be consulted by Property Services (Resources Department) when the details of the proposed works and the timescales are drawn up. Disruption to tenants during works will be kept to a minimum

There are no issues or implications expected for other Council departments.

2.4 Summarise key risks associated with the project

None identified by proceeding with the project. Implications of not proceeding with the project may include the perceived and actual failure of the Council to mitigate its CO2 production and increased building energy costs, which are recharged annually to tenants. Not proceeding with the project may lead to possible surrenders of flexible leases by building tenants relocating to more energy efficient (non Council) accommodation elsewhere where carbon reduction measures have already been implemented by landlords.

2.5 Financial implications

- a. Appraisal prepared on the following price base: 2013/14
- b. Specific grant funding conditions are: n/a
- c. Other comments

2.6 Net revenue implications (costs or savings)

(See also Appendix A for spread across financial years)

Revenue	£	Comments
Maintenance	(700)	Reduced maintenance costs per annum following the replacement of windows
R&R Contribution	0	
Developer Contributions	0	
Energy savings	0	
Income / Savings	0	
Net Revenue effect	(700)	Cost/(Saving)

The Council's future building maintenance costs (window frame repairs) will be reduced as new glazing will not only require less maintenance but will eliminate the cost of maintaining existing glazing and frames.

There will not be any direct energy savings to the Council as the energy costs are recharged annually to tenants.

2.7 VAT implications

The Accountant (VAT & Treasury) has included as a precaution, £10,000 (20% of £50,000) of VAT on this proposed capital expenditure (known as 'exempt input tax') within the Council's corporate Partial Exemption calculation. The Council is confident, therefore, that the VAT incurred as highlighted above, can be contained.

Should there be a divergence from the capital budget for this scheme, the Council may need to consider 'opting to tax' this site. The effect of which will be to charge VAT on its previously 'exempt' supply of commercial rents. However, this will ensure there is no limit imposed on tax recovery (currently 5% per annum).

Consequently, careful VAT monitoring will be conducted and any variations to the above plan will be notified to the Director of Resources on the appropriate action that needs to be taken.

2.8 Energy and Fuel Savings

(a) Is this project listed in the Carbon Management Plan?	No
	If 'No', move to Section 2.9.

2.9 Climate Change Impact

Positive Impact		No effect	Negative Impact	
	+L			

When the project has been completed, there will be immediate and continuing savings of carbon emissions.

2.10 Other implications

Improvement of this commercial property asset within the Property Services managed commercial property portfolio and improvement to the property's Energy Performance Rating and potential ability to attract and retain revenue generating commercial tenants.

An Equality Impact Assessment (EqIA) has not been prepared for this project.

2.11 Staff required to deliver the project

Service	Skills	Total Hours
Property Services	Project ownership	15
Estates & Facilities Asset Management Team	Project management	8-10

2.12 Dependency on other work or projects

None.

2.13 Background Papers

Energy Performance Recommendation Report - dated 9 November 2009.

Available via:

<https://www.ndepcregister.com/reportSearchAddressSelectAddress.html?id=38c252594dc5ac17f0591fb2f90d96fd>

2.14 Inspection of papers

Author's Name	Robert Linney
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Date prepared:	May 2013

Capital Project Appraisal - Capital costs & funding - Profiling

Appendix A

	2013/14	2014/15	2015/16	2016/17	2017/18	Comments
	£	£	£	£	£	
Capital Costs						
Building contractor / works	38,000					
Purchase of vehicles, plant & equipment						
Professional / Consultants fees						
Other capital expenditure:	12,000					
Total Capital cost	50,000	0	0	0	0	
Capital Income / Funding						
Government Grant						
Developer Contributions						
R&R funding	50,000					Cost centre 27720
Earmarked Funds						
Existing capital programme funding						
Revenue contributions						
Total Income	50,000	0	0	0	0	
Net Capital Bid	0	0	0	0	0	

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To: The Leader and Executive Councillor for Strategy:
Councillor Tim Bick

Report by: David Horspool - Director of Resources

Relevant scrutiny committee: Strategy & Resources
8/7/2013
Scrutiny
Committee

Wards affected: All Wards

ANNUAL TREASURY MANAGEMENT REPORT 2012/13

Key Decision

1. Executive summary

- 1.1 The Council is required by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.
- 1.2 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code 2011) in respect of 2012/13.
- 1.3 This report also includes information on capital activity during the year together with associated prudential & treasury indicators.

2. Recommendations

- 2.1 The Executive Councillor is asked to recommend this report, which includes the Council's actual prudential and treasury indicators for 2012/13, for approval by Council.

3. Background

- 3.1 This report provides information on:
 - Capital expenditure and financing activity during the year;
 - The impact of capital spending on the Council's 'need to borrow'
 - The overall treasury position as at 31st March 2013
 - Recovery of Icelandic Bank Deposits

- The Council's compliance with prudential & treasury indicators
- The Council's Treasury Management advisors(Sector) view on UK and Global economies (Appendix B)
- The actual prudential and treasury indicators (Appendix C)
- A Glossary of Terms and Abbreviations (Appendix D)

3.2 The Council's Capital Expenditure and Financing 2012/13

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

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves etc.), which has no resultant impact on the Council's borrowing need; or;
- If insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2011/12 £'000 Actual	2012/13 £'000 Revised Estimate *	2012/13 £'000 Actual
Non-HRA capital expenditure	8,194	16,745	8,704
HRA capital expenditure	9,917	27,047	11,529
HRA Reform	213,572	-	-
Total capital expenditure	231,683	43,792	20,233
Resourced by:			
• Capital receipts	-4,093	-937	-920
• Other contributions	-14,018	-40,049	-17,561
• Borrowing (for HRA Reform)	-213,572	-	-
Total available resources for financing capital expenditure	-231,683	-40,986	-18,481
Un-financed capital expenditure	-	2,806	1,752

* Per Mid Term Treasury Management Report 2012/13 agreed on 21st January 2013

3.3 The Council's overall borrowing need

During 2012/13, there was no requirement for external borrowing. Un-financed capital expenditure for the Clay Farm Collaboration Agreement of £1.752 million, as shown above, was met temporarily from internal cash borrowing, until the expected future capital receipt can be used.

3.4 Treasury Position as at 31 March 2013

The Council's debt and deposit position is managed in order to ensure adequate liquidity for revenue and capital activities, security for deposits and to manage risk in relation to all treasury management activities. Procedures and controls to achieve these objectives are well established both through the application of approved Treasury Management Practices and regular reporting to Members.

The table below provides a comparison of deposit activity and outturn for 2012/13 against 2011/12.

Deposit Type	2011/2012			2012/2013		
	Average Deposits	Rate of Return	Benchmark Return	Average Deposits	Rate of Return	Benchmark Return
1. Internally Managed Funds						
Fixed Short-Term (<365 days)	£63.08m	0.75%	0.82%	£58.47m	0.86%	0.57%
Call/Overnight Accounts	£6.52m	0.38%	0.48%	£17.53m	0.65%	0.39%
Fixed Long-Term (>365 days)	-	-	-	-	-	-
2. Externally Managed Funds						
Managed Funds	-	-	0.48%	-	-	0.39%
3. Overall Deposit Return						
	£69.60m	0.72%	-	£76.00m	0.81%	-

Notes:

The 'Benchmark Return' figures are based upon Sector Treasury Management's average money market 3-month and 7-day LIBID rate respectively. The benchmark returns shown above equate to the average annual rate for deposits as quoted on 28 March 2013.

Similarly, the actual return equates to the Council's recorded average annual rate, also, on 28 March 2013.

The higher rate of return of 0.81% in 2012/13, compared with 0.72% in 2011/12, has been achieved due to undertaking deposits with a longer maturity date (based on advice from Sector), and increased yield arising from further extensive use of bank call accounts.

- 3.5 Interest of £618,000 has been earned on the Council's deposits during 2012/13 at an average rate of 0.81%. This rate of return compares favourably with the average 3 month LIBID rate of 0.57% as issued on 28th March 2013. The original budget for interest earned in 2012/13 was £604,000. Interest yield has therefore exceeded budget by £14,000 for the year 2012/13.
- 3.6 All of the Council's deposits had maturities of less than one year. A summary of deposits is shown at Appendix A.

3.7 Icelandic Bank Deposits Update

This authority had the following deposit (s) in Icelandic banks and their UK subsidiaries at the time of the collapse of the Icelandic banking system in October 2008, as detailed below:-

Counterparty	Principal	% Rate	Deposit Date
Heritable Bank Limited	1,000,000	5.65000%	09-Jan-08
Heritable Bank Limited	1,000,000	6.21000%	13-Jun-08
LBI hf	2,000,000	6.22000%	30-Jun-08
Heritable Bank Limited	2,000,000	6.00000%	05-Sep-08
LBI hf	1,000,000	6.35000%	01-Jul-08
LBI hf	2,000,000	6.42000%	01-Jul-08
Total:-	9,000,000		

Heritable Bank Limited

The total of distributions now received from the administrators of Heritable Bank plc is £3,147,134. This represents 77.25 pence in the pound of the total claim. The next distribution is forecast for July 2013.

LBI hf

To date, the Council has received three distributions for a total of £2,458,741 from the winding-up board in respect of Landsbanki Islands Hf. This equates to approximately 47% of the claim.

The distributions received include both principal and interest elements of the Council's claims.

Based on the latest CIPFA Local Authority Accounting Panel Bulletin 82 (updated in May 2013), the Council is still anticipating that it will recover between 86% and 90% of its claim against Heritable Bank Ltd and 100% of its claim against LBI hf (formerly Landsbanki Islands hf).

3.8 Economic Update provided by Sector

Sector Treasury Services Ltd is the Council's independent treasury advisor. In support of effective forecasting the Council needs to be aware of the potential influence of the worldwide economy on treasury management issues for the Council. Sector's opinion on the wider global economy is presented at Appendix B, and provides an overview of the economic position as at 28th March 2013.

3.9 Compliance with Treasury Limits

During the financial year the Council operated within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy Statement. The outturn for these Prudential Indicators is shown in Appendix C.

4. Implications

(a) Financial Implications

None.

(b) Staffing Implications

None.

(c) Equal Opportunities Implications

No negative impacts identified.

(d) Environmental Implications

None.

(e) Procurement

None.

(f) **Consultation and communication**

None required.

(g) **Community Safety**

No community safety implications.

5. Background papers

5.1 LAAP bulletin 82 Update No. 7 May 2013

6. Appendices

6.1 Appendix A – The Council’s deposits as at 31st March 2013
Appendix B – Sector’s opinion on UK and global economies
Appendix C – Prudential Indicators – outturn for 2012/13
Appendix D – Glossary of Terms and Abbreviations

7. Inspection of papers

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

Author’s Name: Stephen Bevis
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DEPOSITS as at 31 March 2013

The Council's deposits as at 31 March 2013 are summarised (by counterparty) in the table below, excluding remaining claims/deposits with Icelandic banks.

Counterparty	Principal (£)
Bank of Scotland Plc	9,000,000
Barclays Bank plc	10,000,000
Basildon District Council	2,000,000
Birmingham City Council	2,000,000
HSBC Bank plc	2,350,000
Lloyds TSB Bank Plc	6,000,000
London Borough of Enfield	2,000,000
National Westminster Bank Plc	10,000,000
Nationwide BS	10,000,000
Newport City Council	3,000,000
Salford City Council	4,200,000
The Royal Bank of Scotland Plc	4,900,000
TOTAL	65,450,000

Sector's Opinion on UK and Global Economies – As at 28th March 2013.

Introduction

The paragraphs that follow reflect the views of the Council's Treasury Management advisors (Sector) on UK and Global Economies as at 28th March 2013.

Interest rates

Members of the Bank of England Monetary Policy Committee (MPC) kept the bank rate at 0.5% and Quantitative Easing (QE) at £375 bn during 2012/13. Going-forward, the Council's treasury advisor, Sector, provides the following forecast:

	June-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%
5yr PWLB rate	1.80%	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.40%
10yr PWLB rate	2.90%	2.90%	2.90%	3.00%	3.10%	3.20%	3.30%	3.50%
25yr PWLB rate	4.10%	4.10%	4.10%	4.20%	4.20%	4.30%	4.40%	4.60%
50yr PWLB rate	4.20%	4.20%	4.20%	4.40%	4.40%	4.50%	4.60%	4.70

The Sector central forecast is for the first increase in bank rate to be in March 2015. With low growth predictions for the U.K, and financial markets unconvinced that politicians have resolved the Eurozone sovereign debt crisis, we are likely to continue to experience high levels of volatility.

Global Interest Rates and Global Economies update

Sector undertook a review of its interest rate forecasts following the issue of the latest Bank of England Inflation Report in February 2013. Sector has left unchanged its forecast for the first increase in Bank Rate to be in March 2015. However, forecasts for PWLB rates have been increased as a result of the marked recovery in confidence in equity markets, anticipating stronger economic recovery in America, supported by growth in the Far East. The rise in equity prices has, conversely, resulted in a sell-off in bonds and some diminution of the UK as a safe haven from more risky assets. However, towards the end of March, the Cyprus crisis has partially reversed these general trends during the quarter, although this is likely to be a temporary phase.

Eurozone

- Most Eurozone countries are now battling against negative economic growth in 2013, although Germany is experiencing a resurgence of business confidence and surveys are pointing towards a resumption of growth. Growth prospects, for many Eurozone countries, are poor due to the need to adopt austerity programmes to bring government deficits under control.
- Although market anxiety about Greece has subsided after the agreement to a further major financial support package.
- There is also increasing concern that the contraction in Spain's economy and the very high level of unemployment of 25%, similar to Greece's level, could mean that both countries could get into a downward deflationary spiral, making corrections to this, difficult. Spain has resisted asking for an official national bailout, although it has received financial support to re-capitalise its four largest banks.
- The general election in Italy has created a highly unstable political situation where no party can form a viable coalition, which has created an unstable economic environment. There could therefore be volatility in Spanish and Italian bond yields over the next year, depending on political and economic developments.
- A general election is due in Germany in the autumn of 2013. It currently looks likely that this will lead to little change in current policy on the Euro and support for peripheral countries. However, polls are indicating that 25% of the electorate now favour Germany leaving the Euro and stopping the flow of money from Germany.
- A bailout for Cyprus was eventually agreed in the last week of March. However, huge damage will be done to the Cypriot economy by the fallout from this bailout and many commentators consider it is only a matter of time before another bailout will be needed – or exit from the Euro.

US

- There has been a strong resurgence of confidence in US financial markets as the “fiscal cliff” has been largely averted or postponed. Confidence has bolstered recovery in employment and the housing market and has provided the wider economy with a solid base for optimism looking forward.

- The Federal Reserve is unlikely to increase the central rate until 2015, as it has now set a specific target of first reducing unemployment to 6.5% (currently 7.7% at the end of March).
- The housing market is showing signs of having turned a corner, both in price rises and the volume of house sales.

China

- Efforts to stimulate the economy appear to be succeeding. However, there are still concerns around an unbalanced economy, heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector.

UK

- The Bank of England February 2013 Inflation Report has again pushed back the timing of a return to trend growth and the rate at which inflation will fall back towards the target rate of 2%. If quarter 1 2013 results in negative growth, this would be the first triple dip recession since records began in 1955. Over the year to Q4 2012, total growth came in at only 0.2%.
- A fair proportion of UK Gross Domestic Product (GDP) is dependent on overseas trade; the high correlation of UK growth to US and EU GDP growth means that the UK economy is likely to register weak growth over both 2013 and 2014.
- Consumers are likely to remain focused on reducing national debt. Weak consumer sentiment and job fears will all act to keep consumer expenditure suppressed; this will be compounded by inflation being higher than increases in average earnings i.e. disposable income will continue to be eroded.
- The Coalition government is hampered in promoting growth by the need to tackle the budget deficit. However, the March budget did contain measures to boost house building and the supply of mortgages, and brought forward, by one year to April 2014, the start of a £10,000 tax-free allowance for incomes.
- Little sign of a co-ordinated strategy for the private sector to finance a major expansion of infrastructure investment to boost UK growth.
- There is a limited potential for more Quantitative Easing in 2013.

- In February 2013 Moody's downgraded the UK's AAA credit rating one notch to Aa1. There was little reaction in financial markets, as this had been widely anticipated. Fitch put its AAA rating on negative watch in March and recently downgraded to AA+.

Sector's forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Key areas of uncertainty include:

Failure of Italian political parties to form a viable coalition;

The impact of the Eurozone crisis on financial markets and the banking sector;

Monetary policy action failing to stimulate growth in western economies;

The impact of the UK Government's austerity plan on confidence and growth;

Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt; and;

Overall, there is a potential for weak growth in the UK.

Given the weak outlook for economic growth, Sector sees the prospects for any increase in Bank Rate before 2015 as very limited indeed, and the first increase could be even further delayed if growth disappoints.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2011/12 £'000	Original 2012/13 £'000	Revised 2012/13 £'000	Actual 2012/13 £'000
<u>PRUDENTIAL INDICATORS</u>				
Capital expenditure				
- General Fund	8,194	13,920	16,745	8,704
- HRA	223,489	22,465	27,047	11,529
Total	231,683	36,385	43,792	20,233
Incremental impact of capital deposit decisions on:				
Band D Council Tax (City element)	0.00	0.00	0.00	0.00
Average weekly housing rent	0.00	0.00	0.00	0.00
Capital Financing Requirement (CFR) as at 31 March				
- General Fund	(1,177)	(1,177)	1,629	858
- HRA	215,031	214,748	214,748	214,748
Total	213,854	213,571	216,377	215,606
Deposits at 31 March	63,903	60,487	63,210	65,543
Net borrowing Requirement	149,951	153,084	153,167	147,063
Change in the CFR	0	(283)	2,806	(771)
External Gross Debt	213,572	213,572	213,572	213,572
Ratio of financing costs to net revenue stream				
-General Fund	(2.46%)	(3.13%)	(3.13%)	(3.13%)
-HRA	0.05%	20.06%	20.06%	20.06%
Total	(2.41%)	16.93%	16.93%	16.93%

Note1: 'Original' refers to the Council's Mid Term Treasury Management Strategy Report 2012/13 as agreed by Council on 21st January 2013.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Actual 2011/12 £'000	Original 2012/13 £'000	Revised 2012/13 £'000	Actual 2012/13 £'000
<u>TREASURY INDICATORS</u>				
Authorised limit				
for borrowing	250,000	250,000	250,000	250,000
for other long term liabilities	0	0	0	0
Total	250,000	250,000	250,000	250,000
HRA Debt Limit	230,839	230,839	230,839	230,839
Operational boundary				
for borrowing	213,854	213,571	216,377	215,606
for other long term liabilities	0	0	0	0
Total	213,854	213,571	216,377	215,606
Upper limit for total principal sums deposited for over 364 days	5,000	5,000	5,000	5,000
Upper limit for fixed & variable interest rate exposure				
Net interest on fixed rate borrowing/deposits	(448)	6,840	6,840	6,840
Net interest on variable rate borrowing/deposits	(23)	(23)	(23)	(23)
Maturity structure of new fixed rate borrowing during 2012/13		Upper Limit	Lower Limit	
10 years and above (PWLB borrowing for HRA Reform)		100%	100%	

Note1: 'Original' refers to the Council's Mid Term Treasury Management Strategy Report 2012/13 as agreed by Council on 21st January 2013.

Treasury Management – Glossary of Terms and Abbreviations

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day to day items including employees' pay, premises costs and supplies and services)
Capital Financing Requirement	A measure of the Council's underlying borrowing need i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources
CIPFA	Chartered Institute of Public Finance and Accountancy
Counter-parties	Financial Institutions with which funds may be placed
Credit Risk	Risk of borrower defaulting on any type of debt by failing to make payments which it is obligated to do
DCLG	Department for Communities & Local Government
Eurocurrency	Any deposits residing in banks located outside borders of the country that issues the deposit that it is denominated in
Gross Domestic Product (GDP)	GDP per capita is considered an indicator of a country's 'standard of living'
HRA	Housing Revenue Account - a 'ring-fenced' account for local authority housing account where a council acts as landlord
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
LBI hf	Formerly Landsbanki Islands hf
London Inter-bank Bid Rate (LIBID)	The average estimated interest rate leading banks in London are willing to pay for eurocurrency deposits
London Inter-bank Offered Rate (LIBOR)	The average interest rate estimated by leading banks in London would be charged if borrowing from other banks
Liquidity	A measure of how readily available an investment is
MCP	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Net Borrowing Requirement	External borrowing less deposits
Operational Boundary	Limit which external borrowing is not normally expected to exceed
PWLB	Public Works Loans Board - an Executive Government Agency of HM Treasury from which local authorities & other prescribed bodies may borrow at favourable interest rates
Security	A measure of the creditworthiness of a counter-party
Yield	Interest, or rate of return, on an investment



To Executive Councillor for Strategy

Report by Chief Executive, Director of Environment and Director of Resources

Relevant Scrutiny Committee Strategy & Resources

8 July 2013

2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances

Not a Key Decision

1. Executive summary

- 1.1 This report presents a summary of the 2012/13 outturn position (actual income and expenditure) for services within the Strategy (previously “& Climate Change”) portfolio, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2013/14 and future years are identified.
- 1.2 It should be noted that outturn reports being presented in this Committee cycle reflect the reporting structures in place prior to the recent changes in Executive portfolios. In light of those changes (together with the requirement to report outturn on the basis of portfolios in place during 2012/13) members of this committee are asked to consider the proposals to carry forward budgets and make their views known to The Leader, for consideration at Strategy & Resources Scrutiny Committee prior to his recommendations to Council.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals:

- a) To carry forward £33,700 of revenue budgets, as detailed in Appendix C.
- b) To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £33,000 from 2012/13 into 2013/14 as detailed in Appendix D.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Strategy (previously “& Climate Change”) portfolio, compared to the final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for this portfolio, for which approval is sought to carry forward unspent budget from 2012/13 to the next financial year, 2013/14.
- 3.4 The overall revenue budget outturn position for the Strategy (previously “& Climate Change”) portfolio is set out in the table below:

Strategy (previously “& Climate Change”) 2012/13 Revenue Summary	£
Final Budget	(3,697,520)
Outturn	(3,389,191)
Variation – (Under)/Overspend for the year	(308,330)
Carry Forward Requests:	33,700
Net Variance	(274,630)

The variance represents 7.4% of the overall portfolio budget for the 2012/13 financial year.

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Strategy (previously “& Climate Change”) portfolio, with explanations of variances.
- 3.6 An overall net underspend of £30,000 has arisen. £33,000 is due to slippage and rephasing of the capital programmes is required to transfer the budget into 2013/14.

4. Implications

- 4.1 The net variance from the final budget, after approvals to carry forward budget of £33,700 from 2012/13 to the next financial year, 2013/14, would result in a reduced use of General Fund reserves of £274,630.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2013/14, the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

5. Background papers

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

- Closedown Working Files 2012/13
- Directors' Variance Explanations – March 2013
- Capital Monitoring Reports – March 2013
- Budgetary Control Reports to 31 March 2013

6. Appendices

- Appendix A - Revenue Budget 2012/13 - Outturn
- Appendix B - Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2012/13 - Carry Forward Requests
- Appendix D - Capital Budget 2012/13 - Outturn

7. Inspection of papers

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

Authors' Names: John Harvey
Authors' Phone Numbers: Telephone: 01223 - 458143
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O:\accounts\Committee Reports & Papers\Strategy & Resources from July 2007\2013 June\Final\Strategy (was S&CC)\S&R (Strategy) Final Outturn 2012-13 Report.doc

Strategy Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Chief Executive						
Corporate Strategy	398,960	487,100	462,010	(25,090)		(25,090)
Environment						
CCTV	178,870	157,000	135,439	(21,561)	9,000	(12,561)
Customer & Community Services						
Community Safety	121,240	120,430	58,366	(62,064)	24,700	(37,364)
Central Services						
Corporate & Democratic Services	2,290,890	2,328,750	2,292,256	(36,494)		(36,494)
Central Provisions and Centrally allocated costs	(30,250)	413,130	254,599	(158,532)		(158,532)
Pensions - Early Retirements capitalised costs	138,140	191,110	186,521	(4,589)		(4,589)
Total Strategy Services Net Budget	3,097,850	3,697,520	3,389,191	(308,330)	33,700	(274,630)

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)
- and via technical adjustments/virements throughout the year

Strategy Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Major Variances
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Corporate Strategy	A number of small underspends on various budget heads	(25,090)	A Limb
CCTV	Underspend on salaries of £10k and final work on repairs after Control room flood - there is a carry forward request for £9k to cover the cost.	(21,561)	M Beaumont
Community Safety	Underspending in Community Safety resulted predominantly from a combination of delays in recruiting to the role of Neighbourhood Resolution Panel Co-Ordinator (£14,300) and under-spending in Safer City grants during 2012/13 (£41,100). Carry forwards requests are made in respect of the salary costs of the above post and for the proportion of grants where commitments were given in 2012/13, but grants were not actually paid.,	(62,064)	L Kilkelly
Central Provisions, Centrally allocated costs and Corporate & Democratic Services	<p>Major variances include underspends of:</p> <p>£109k IT due to a larger than usual number of IT development days being charged to capital for infrastructure projects so overall there is a net underspending on the revenue budgets provided for development days.</p> <p>£48k Pensions - early retirements costs were less than the service budget provision</p> <p>£50k Central Overheads - the majority of which, £27k, relates to a reduction in expenditure on external audit fees following transfer from Audit Commission to the new regional contract provider, Ernst & Young.</p> <p>£185k relating to a number of services which clear their balances to this centre and the main reasons were reported to CS&R (namely £103k Human Resources, £27k Accountancy and Support Services, £44k IT due to minor underspends on IT Contract costs).</p> <p>and overspends of:</p> <p>£33k Maternity Fund - by its very nature expenditure is difficult to forecast and this budget has overspent. The base budget provision of £164k was supplemented by £80k in the Budget-Setting Report.</p> <p>£59k Fleet - an under-recovery of costs which should be offset by underspends on service transport budgets</p> <p>In addition £77k relates to the anticipated saving in temporary and agency staff costs under the Comensura contract that was budgeted for centrally, so effectively shows as an apparent overspend here, but to offset this the saving should therefore show as underspends across the authority.</p>	(195,025)	John Harvey

Strategy Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14 and future years

Item		Amount £	Contact
1	<p>Director of Environment</p> <p>Carry forward request for £9k to cover the cost of the final work on repairs after Control room flood.</p>	9,000	M Beaumont
2	<p>Director of Customer & Community Services</p> <p>A carry forward is requested in respect of the salary for the Neighbourhood Resolution Panel Co-Ordinator, where recruitment to the role funded for a 2 year period took longer than anticipated (£14,300) and in Safer City and Community Safety Grants (£10,400), to meet commitments identified, but not fulfilled during 2012/13.</p>	24,700	L Kilkelly
	<p>Total Carry Forward Requests for Strategy Portfolio / Strategy & Resources Scrutiny Committee</p>	33,700	

Strategy Portfolio / Strategy & Resources Scrutiny Committee
Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget		Final Budget		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend	Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000		£000	£000	
SC542	Solar Thermal Panels/Energy efficiency measures on non-hsg properties	D Kidston	140	140	140	143			3	0	0			
SC543	Voltage Optimisation Roll-out	D Kidston	33	33	33	0			(33)	0	33			Mandela House: installation was scheduled for 23 March, but was delayed due to essential IT systems work in preparation for changes to Revenues and Benefits service as a result of new guidance from Department for Work and Pensions. Installation was successfully completed on 13 April 2013. Mill Road depot: Proposed installation at Mill Road: Not being progressed because the feasibility study revealed that the business case was not viable. Officers have established that there is a viable business case for installation of the technology at Grafton East car park, which is scheduled for 10 June 2013.
Total for Strategy Portfolio			173	173	173	143			(30)	0	33			

Changes between original and final budgets may be made to reflect:

- re-phased capital spend from the previous financial year
- re-phased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

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To: Leader: Councillor Tim Bick

Report by: Director of Resources

Relevant scrutiny committee: Strategy & Resources

8 July 2013

2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances - General Fund - OVERVIEW

Key Decision

1. Executive summary

- 1.1 This report presents a summary of the 2012/13 outturn position (actual income and expenditure) for all portfolios, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted. Explanations have been reported to individual Executive Councillors / Scrutiny Committees and are reproduced here.
- 1.2 Requests to carry forward funding arising from certain budget underspends into 2013/14 are identified.
- 1.3 It should be noted that outturn reports being presented in this Committee cycle reflect the reporting structures in place prior to the recent changes in Executive portfolios. In light of those changes (together with the requirement to report outturn on the basis of portfolios in place during 2012/13) members of all committees have been asked to consider the proposals to carry forward budgets and make their views known to The Leader, for consideration at Strategy & Resources Scrutiny Committee prior to his recommendations to Council. As this report was published prior to completion of all the Scrutiny Committee meetings a list of all comments received will be published once available.
- 1.4 For additional information this report indicates those revenue carry forwards and capital rephasing requests that will be in the new Public Places Executive portfolio (the remainder of Arts, Sports and Public Places being in Community Wellbeing).

- 1.5 The outturn position for Housing Revenue Account (HRA) has been reported to Housing Management Board and the Executive Councillor for Housing on 4 June 2013.

Revenue Outturn

- 1.6 The 2012/13 final revenue budget for all portfolios is £21,451,350. The final outturn for the year is now £20,034,524 giving an overall under-spend of £1,416,826. Of this total under-spend requests for carrying forward budgets into the next financial year are being sought for £717,250, as detailed in Appendix C.

Capital Outturn

- 1.7 The latest approved capital budget for all portfolios is £33,614,000. Actual expenditure on capital schemes and programmes during 2012/13 is £20,237,000 giving an overall under-spend of £13,377,000. Of this net underspend £11,967,000 is due to net slippage and Council approval is sought to rephase the required capital resources from 2012/13 into 2013/14.

2. Recommendations

The Leader is recommended, taking account of the views of Executive Councillors and members of the Scrutiny Committees on the following proposals:

Revenue:

- a) To agree which of the final carry forward requests, totalling £717,250, as detailed in Appendix C, are to be recommended to Council for approval, subject to the final outturn position.

Capital:

- b) To seek approval from Council to carry forward (net) capital resources to fund re-phased capital spending of £11,967,000 as shown in Appendix D - Overview.

3. Background

Revenue Outturn

- 3.1 The revenue budget for 2012/13, initially approved by Council on 23 February 2012, was considered in the January 2013 Committee cycle and revised as appropriate. The final outturn position for all

portfolios, compared to final revenue budget, is presented in detail in Appendix A.

- 3.2 Explanations for the main variances from the final budget for 2012/13 have been reported to appropriate Executive Councillors / Scrutiny Committees and are reproduced as Appendix B.
- 3.3 Appendix C sets out the list of items, for all portfolios, for which approval is sought to carry forward unspent budget from 2012/13 to the next financial year, 2013/14.
- 3.4 A summary of the final revenue outturn position for all portfolios is shown below:

2012/13 General Fund Revenue Summary	£
Original Budget	19,157,090
Adjustments	2,294,260
Final Budget	21,451,350
Outturn	20,034,524
Net Variation / underspend for the year	(1,416,826)
Carry Forward Requests:	717,250
Net Variance and reduced use of General Fund Reserves	(699,576)

Capital Outturn

- 3.5 All capital schemes were reviewed in detail in January 2013 and the Capital Plan amended to account for rephasing and anticipated over/underspends on individual schemes.
- 3.6 Appendix D - Overview summarises the final outturn position against 2012/13 final capital budgets. Explanations for the main variances from final budgets for 2012/13 have been reported to appropriate Executive Councillors / Scrutiny Committees and are reproduced as Appendices D (General Fund Detail) and Appendix E (Housing). The net under-spend of £13,377,000 is mainly due to slippage.

- 3.7 The Capital Plan will be updated as necessary to reflect changes in the phasing of capital projects.

4. Implications

- 4.1 The net variance from final revenue budget, after approvals to carry forward £717,250 reserves from the current year into 2013/14 will result in a reduced use of General Fund reserves of £699,576.
- 4.2 The net over / underspend on capital budget, after re-phasing, will serve to increase the amount of funding available for future bids in respect of both General Fund and HRA. The overall position will be reviewed again in September and reported to Council in October.
- 4.3 In relation to requests to carry forward either revenue or capital budgets into 2013/14 the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

5. Background papers

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

- Reports for all Portfolios to the June 2013 Scrutiny Committee cycle

6. Appendices

- Appendix A - Revenue Budget 2012/13 - Outturn
- Appendix B - Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2012/13 - Carry Forward Requests
- Appendix D - Capital Budget 2012/13 - Outturn – Overview
- Appendix D - Capital Budget 2012/13 - Outturn – Detail (General Fund)
- Appendix E - Capital Budget 2012/13 - Outturn – Detail (HCIP)
- Appendix E - Notes to the Housing Capital Investment Plan (HCIP)

7. Inspection of papers

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

Author's Name:

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General Fund Overview / Strategy & Resources Scrutiny Committee

Revenue Budget - 2012/13 Outturn

Committee	Original Budget £	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Community Services						
Arts, Sports & Public Places	5,553,970	7,042,080	6,912,673	(129,407)	200,650	71,243
Community Development and Health	3,092,920	3,173,500	3,093,050	(80,450)	16,000	(64,450)
Housing	2,716,760	2,890,510	2,746,137	(144,373)	241,330	96,957
Total	11,363,650	13,106,090	12,751,860	(354,230)	457,980	103,750
Environment						
Environmental & Waste Services	8,313,210	8,019,120	7,736,029	(283,091)	74,550	(208,541)
Planning & Climate Change	1,519,200	1,937,030	1,609,894	(327,136)	45,850	(281,286)
Total	9,832,410	9,956,150	9,345,923	(610,227)	120,400	(489,827)
Strategy & Resources						
Customer Services and Resources	(5,136,820)	(5,308,410)	(5,452,450)	(144,040)	105,170	(38,870)
Strategy	3,097,850	3,697,520	3,389,191	(308,330)	33,700	(274,630)
Total	(2,038,970)	(1,610,890)	(2,063,259)	(452,369)	138,870	(313,499)
Total Portfolios / Committees	19,157,090	21,451,350	20,034,524	(1,416,826)	717,250	(699,576)
						0
Capital Accounting Adjustments	(3,980,140)	(4,593,190)	(4,592,348)	842		842
Capital / Revenue Projects Expenditure Financed from Revenue	1,381,000	1,585,000	1,753,697	168,697		168,697
Contributions to Earmarked Reserves	1,079,750	1,761,580	1,750,940	(10,640)		(10,640)
Contributions (from) Earmarked Reserves		(313,540)	(316,218)	(2,678)		(2,678)
Other			(5,555)	(5,555)		(5,555)
Contributions to/(from) Reserves	(601,490)	(2,712,420)	(1,463,447)	1,248,973	(717,250)	531,723
	(2,120,880)	(4,272,570)	(2,872,930)	1,399,640	(717,250)	682,390
Net General Fund Spending	17,036,210	17,178,780	17,161,594	(17,186)	0	(17,186)
						0
Financed by:						0
Government Formula Grant	(8,598,810)	(8,598,810)	(8,598,811)	(1)		(1)
Other Government Grants						0
Freeze Grant	(171,600)	(170,870)	(170,784)	86		86
New Homes Bonus	(1,521,540)	(1,521,550)	(1,521,543)	7		7
Other specific grants	0	(143,290)	(126,198)	17,092		17,092
Council Tax	(6,831,370)	(6,831,370)	(6,831,370)	0		0
Collection Fund (Surplus)/Deficit	87,110	87,110	87,112	2		2
Total Financing	(17,036,210)	(17,178,780)	(17,161,594)	17,186	0	17,186
						0
Net Total	0	0	0	0	0	0

General Fund Overview / Strategy & Resources Scrutiny Committee

Revenue Budget - 2012/13 Outturn

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

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- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)
- and via technical adjustments/virements throughout the year

**Arts, Sport & Public Places Portfolio / Community Services Scrutiny
Committee**

**Revenue Budget 2012/13 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
Arts & Events	<p>Arts & Recreation</p> <p>Consultancy fees underspent by £16k, taken as a saving. £3k proposed as carry forward to cover anticipated additional electricity cost. Various small underspends across a wide variety of costs within the Arts & Events service</p>	(37,914)	E Midgley
Business & Marketing	<p>City Centre Box Office - This Cost Centre over achieved income in relation to On-Line Booking Fees in 2012/13, in previous years the over achievement has been offset against bank and credit card charges from the ticketing supplier. Due to the Box Office having it's own merchant id (MID), this has reduced the charges incurred significantly that we originally incurred and in addition there is also an underspend in relation to these costs.</p>	(22,613)	N Jones
	<p>Corn Exchange Marketing - This relates to miscoding of marketing brochure and some advertising costs to a Holding Account in the prior financial year rather than the Marketing Cost Centre</p>	20,051	N Jones
	<p>Distribution Service - an underachievement of income for 2012/13 has led to a service review which has led to a reduced budget for 2013/14</p>	31,659	N Jones
Cultural Facilities	<p>Corn Exchange Technical - An overspend of expenditure for heating (£16,771) together with an underachievement of income against budget for recharges to shows has resulted in this overspend.</p>	50,054	S Bagnall
	<p>Corn Exchange Front of House - As with Corn Exchange Technical this relates to an underachievement in casual staff recharges on events. This budget had a total salary cost underspend</p>	26,748	S Bagnall
Sport & Recreation	<p>Leisure Contract Client Costs - Underspend on consultancy fees for the renewal of the Leisure Contract. A carry forward request for £30,400 is being made.</p>	(28,025)	I Ross
Grants - Leisure	<p>Community Development</p> <p>An extra £125k was incorrectly budgeted to 12/13 for Arts Theatre funding which should be for 2013/14</p>	(129,838)	J Hanson

Community Development and Health Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Community Development	<p>Customer & Community Services - Community Development</p> <p>Various small variances</p>	(8,755)	T Woollams
Bereavement Services	<p>Customer & Community Services - Bereavement Services</p> <p>£26,000 is a result of a business rate refund, £11,000 is due to a vacant post and around £20,000 is additional net income.</p>	(55,695)	T Lawrence
Health Improvement Strategy	<p>Environment - Refuse & Environment</p> <p>In April 2013 the Health and Well Being board became a statutory board and will be delivering amongst a number of it's functions the Cambridgeshire Health and Well being Strategy. The transfer of public health to local authorities has almost been completed and the commissioning of services is currently being examined by the Local Commissioning Groups. The precise details are unknown at this stage and the carry forward is requested to accommodate the council's foreseeable requirements.</p>	(16,000)	J Lally
	Other minor variances	0	
	Total	(80,450)	

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Customer & Community Services - Housing Strategy, Development, Housing Advice, Private Sector Housing and Miscellaneous Housing			
CLG Homelessness Grant	Underspending in CLG Homelessness Grant for 2012/13. The CLG grant totalled £575,470 for 2012/13 and was part of a 4 year settlement for the spending review period. Local authorities are free to carry over underspent sums between financial years. A carry forward of this external grant balance is requested, in line with delegations given to the Head of Strategic Housing, to allow use of the monies in line with CLG expectations and existing commitments in respect of homelessness prevention work and homeless support activity.	(193,860)	D Greening
Homelessness Costs	Spending on bed and breakfast provision was higher than anticipated, particularly in the latter part of 2012/13, despite the introduction of alternative provision using our own housing stock. Additional alternative sources of emergency accommodation are being actively pursued.	82,209	D Greening
CLG Specialist Housing Advisor	Cambridge City Council agreed to host a Specialist Housing Advisor post, seconded from CLG for a year from July 2012, with a commitment until July 2013. The post is fully funded by the CLG and the balance of funding will be requested as a carry forward to honour the agreement.	(39,657)	D Greening
Supporting People	Costs of the Community Support Worker in 2012/13 were less than anticipated, as the post was not occupied from the start of the year. The transition to fixed price Supporting People contracts resulted in an underspend in 2012/13, but it should be noted that the future risk now resides with the City Council, as this is dependent upon housing benefit eligibility as the criteria for a fully funded service.	(18,265)	J Hovells
Contribution to the HRA for Shared Amenities	The contribution to the HRA for shared amenities was 4% higher than budgeted, due predominantly to increased incidence of bulky refuse removal on estates.	13,751	J Hovells
Home Aid / Home Improvement Grants	Additional income was received in 2012/13, with £25k of small value grant and loan repayments being repaid to the authority by the clients. This was partially offset by an increased contribution to the operational costs of Year 1 of the Shared Home Improvement Agency, where set up and hand over costs and the lead in to being fully operational required Cambridge City to contribute £20k more than originally anticipated.	(9,570)	H Reed

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Development	Employee costs overspent due to cover for extended staff illness. Internal fee cross charge less than budgeted as new build schemes had not progressed as quickly as anticipated.	8,491	A Carter
Housing Advice Service	Employee costs overspent due to the need to employ additional temporary staff to accommodate the increased workload associated with the review of the Housing Register.	7,299	D Greening
125 Newmarket Road	Rental income for 2012/13 was lower than anticipated due to the lease arrangements for the premises, where not all space was occupied, and therefore sub-let during the year.	6,830	D Greening
Minor Variations		3,154	
Total		(139,618)	
Environment - Refuse and Environment			
Minor Variations		(4,755)	
Total		(4,755)	
Total for Housing Portfolio / Community Services Scrutiny Committee		<u>(144,373)</u>	

Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Cost Centre	Reason for Variance	Amount £	Contact
Trade Refuse	<p style="text-align: center;">Environment - Waste & Recycling</p> <p>Underspends in relation to waste disposal costs of £50k due to a reduction in waste to landfill, underspend on employee related budgets of £21k and vehicle maintenance and materials budgets of £48k. Overachievement of within income budgets mainly from commingled recycling services at colleges and unpredictable income relating to the sale of bins of £105k.</p>	(223,597)	C Hipwood

Planning & Climate Change / Environment Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Car Parks	<p>Environment - Parking Services</p> <p>Underspend of £143,480 is a combination of over achievement against anticipated income and underspends within service provision of building maintenance, staffing, energy/electricity usage and credit card handling costs. This represents a variation of 8.08% compared to revised budget.</p>	(143,480)	Paul Necus
City Development	<p>Environment - Planning</p> <p>Underspend on advertising costs resulting from a reduction in the number of minor and other planning applications. Underachievement on fee income from minor and other applications, overachievement on major applications.</p>	(77,675)	Patsy Dell
Urban Design & Conservation	<p>Underspend due to delays in completion of both the Pro-Active Conservation programme and the Historic Signage Project. A request to carry forward both unspent budgets is included in Appendix C.</p>	(39,864)	Patsy Dell
Taxicard Service	<p>This is a result of reduced take up in the Taxicard service in 2012/13.</p>	(22,605)	Patsy Dell

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Resources			
Finance - General	Of this overall variance £66k relates to impairment of Icelandic Bank deposits, as a consequence of changes in the expected profile of repayments. (The overall percentages which the Council expects to recover remain unchanged.) Of the remaining variance the majority, £30k, reflects a larger proportion of investment interest receipts being attributable to the Housing Revenue Account as a result of higher than anticipated HRA balances.	94,544	Julia Minns
General Properties and Grand Arcade	The variance is primarily due to the receipt of one-off additional rental income of £39,884 following the completion of the rent audit for the Grand Arcade shopping centre during the latter stages of the 2012/13 financial year.	(30,755)	Philip Doggett
Mill Road Support Services	The variance is largely due to the delay in recruiting to vacant posts following the Support Services restructure.	(28,663)	Althea Mejias
Customer and Community			
Revenue and Benefit Services	The main variances are due to unspent Homelessness Prevention Funding of (£41,910) for which a carry forward of budget is requested (see Appendix C), higher than forecast recovery of benefit overpayments from claimants no longer claiming benefits of (£11,581), higher than forecast recovery of Local Taxation legal costs of (£16,887) and higher than forecast Local Taxation Court costs recovered of (£46,739) - £280,009 collected against forecast of £233,270 (a one-off increase of £46,739).	(128,703)	Alison Cole
Environment			
Land Charges and Searches	Over achievement of fee income as a result of an increase in the number of Land Charge requests over the last 2 quarters.	(24,567)	Paul Boucher
Tourism	Commercial and Guided Tours income was lower than the same period last year. This was due to a 25% reduction in footfall as a result of very poor weather and the Olympics having a negative effect on local tourism. The final outturn position was reduced through the introduction of daily monitoring of income performance from the beginning of January 2013. This will now continue moving forward. The service is reviewing all its income generating activity and identifying opportunities to both increase footfall to the TIC, whilst also reducing dependency on income through the TIC. In light of the challenge with the Tourism service, other cost centres within the service were equally closely monitored, resulting in a net £8k overspend across the Tourism and City Centre Management service as a whole.	30,235	Emma Thornton

**Customer Services & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2012/13 - Major Variances
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
Support Services Accountancy and Support Services	Net underspending for the year predominantly relates to employee budget underspending of £13,620 reflecting an overprovision for employer pension fund contributions, combined with an underspending of the budget for recruitment. The balance relates to net underspending of various supplies and services budgets.	(27,220)	Julia Minns
Human Resources	The underspend includes the balance of the organisational change budget of £63,260, which has been allocated to the Managers' Skills programme. The Managers' Skills programme has now been implemented and will be completed by August 2014. A carry forward of budget of £63,260 will be required to complete the programme (see Appendix C). The remaining variance relates to minor employee cost and supplies and services underspends.	(103,614)	Deborah Simpson
IT	The variance is mainly due to minor underspends on IT Contract costs.	(48,628)	James Nightingale

Strategy Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Major Variances
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Corporate Strategy	A number of small underspends on various budget heads	(25,090)	A Limb
CCTV	Underspend on salaries of £10k and final work on repairs after Control room flood - there is a carry forward request for £9k to cover the cost.	(21,561)	M Beaumont
Community Safety	Underspending in Community Safety resulted predominantly from a combination of delays in recruiting to the role of Neighbourhood Resolution Panel Co-Ordinator (£14,300) and under-spending in Safer City grants during 2012/13 (£41,100). Carry forwards requests are made in respect of the salary costs of the above post and for the proportion of grants where commitments were given in 2012/13, but grants were not actually paid.,	(62,064)	L Kilkelly
	Major variances include underspends of:		
	£109k IT due to a larger than usual number of IT development days being charged to capital for infrastructure projects so overall there is a net underspending on the revenue budgets provided for development days.		
	£48k Pensions - early retirements costs were less than the service budget provision		
	£50k Central Overheads - the majority of which, £27k, relates to a reduction in expenditure on external audit fees following transfer from Audit Commission to the new regional contract provider, Ernst & Young.		John Harvey
Central Provisions, Centrally allocated costs and Corporate & Democratic Services	£185k relating to a number of services which clear their balances to this centre and the main reasons were reported to CS&R (namely £103k Human Resources, £27k Accountancy and Support Services, £44k IT due to minor underspends on IT Contract costs).	(195,025)	
	and overspends of:		
	£33k Maternity Fund - by its very nature expenditure is difficult to forecast and this budget has overspent. The base budget provision of £164k was supplemented by £80k in the Budget-Setting Report.		
	£59k Fleet - an under-recovery of costs which should be offset by underspends on service transport budgets		
	In addition £77k relates to the anticipated saving in temporary and agency staff costs under the Comensura contract that was budgeted for centrally, so effectively shows as an apparent overspend here, but to offset this the saving should therefore show as underspends across the authority.		

Arts, Sport & Public Places Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item		Request £	Contact
	Streets & Open Spaces - River Frontage Management		
1	Business Rates on Moorings from prior years awaiting assessment	19,250	A Wilson
2	Tree planting programme (ongoing scheme)	23,000	A Wilson
	Arts & Recreation - Folk Festival		
3	£3k proposed as carry forward to cover anticipated additional electricity cost.	3,000	E Midgley
	Arts & Recreation - Sport & Recreation		
4	Payment for RPIX budget to move over to offset Leisure Contract Management Fees from contract variations. Carry forward request for £30,400 for Consultant	30,400	I Ross
	Community Development - Grants		
5	An extra £125k was incorrectly budgeted to 12/13 for Arts Theatre funding which should be for 2013/14	125,000	J Hanson
	Total Carry Forward Requests for Arts, Sport & Public Places Portfolio / Community Services Scrutiny Committee	200,650	

Community Development and Health Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14 and future years

Item		Request £	Contact
	<p>Environment - Refuse and Environment</p> <p>In April 2013 the Health and Well Being board became a statutory board and will be delivering amongst a number of it's functions the Cambridgeshire Health and Well being Strategy. The transfer of public health to local authorities has almost been completed and the commissioning of services is currently being examined by the Local Commissioning Groups. The precise details are unknown at this stage and the carry forward is requested to accommodate the council's foreseeable requirements.</p>	16,000	J Lally
	<p>Total Carry Forward Requests for Community Development Portfolio / Community Services Scrutiny Committee</p>	16,000	

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14 and future years

Item		Request £	Contact
	Director of Customer & Community Services		
1	CLG Homelessness Grants - Carry forward of these external grant balances are requested to allow existing commitments in respect of homelessness prevention work and support activity to be fully met. This grant is no longer ring-fenced, but local authorities are strongly encouraged to utilise the resource for the purpose it was awarded, with the Head of Strategic Housing having delegated authority to approve spending across the spending review period.	193,860	D Greening
2	The authority committed to hosting a secondment from CLG for the period from July 2012 for one year, employing a Specialist Housing Advisor. The balance of funding is requested as a carry forward to allow the authority to fulfil their obligations under the agreement.	39,650	D Greening
	Director of Environment		
3	A carry forward of the underspend of the Compulsory Purchase Order revenue budget to 2013/14 is requested in order to carry out CPO work, if necessary, next year.	7,820	R Lord
	Total Carry Forward Requests for Housing Portfolio / Community Services Scrutiny Committee	241,330	

Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item		Final Request £	Contact
	Director of Environment		
1	Recycling Strategy - There was a delay in the appointment of the two year fixed post of recycling champion coordinator. Therefore a carry forward of the balance of the budget to 2013/14 is requested.	6,550	J Robertson
2	Grounds Maintenance - Planned training across the Streets and Open Spaces service did not take place in 2012/13. Training will take place in 2013/14 and therefore a carry forward of this budget is requested.	68,000	T Ainley
	Total Carry Forward Requests for Environmental & Waste Services Portfolio / Environment Scrutiny Committee	74,550	

Planning & Climate Change / Environment Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2011/12 into 2012/13 and future years

Item		Final Request £	Contact
	Director of Environment		
1	Urban Design & Conservation - To complete the remaining priorities of the Pro-Active Conservation work programme as agreed at Environment Scrutiny Committee in March 2013 ref 13/26/ENV (improved use of IT for cataloguing Listed Building information and Conservation Area reviews).	24,490	Patsy Dell
2	Urban Design & Conservation - To complete the approved programme of works relating to the Historic Signage Project as agreed at Environment Scrutiny Committee in January 2013.	15,000	Patsy Dell
3	Walking & Cycling Strategy - At the Members Cycling & Pedestrian Steering Group meeting of 15 March 2013 a grant for Bikewiser CIC of £4,850 was approved, subject to the group finding suitable premises. It was agreed that the funding should be carried over into the next financial year (2013/14) in the meantime. The balance of the carry forward request (£1,510) is for the Pushchair scheme and related promotional expenditure that has been delayed until 2013/14.	6,360	Toni Ainley
	Total Carry Forward Requests for Planning & Climate Change Portfolio / Environment Scrutiny Committee	45,850	

**Customer Services & Resources Portfolio /
Strategy & Resources Scrutiny Committee**

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item	Reason for carry forward request	Carry Forward Requests £	Contact
1	<p>Revenue and Benefit Services Request to carry forward unspent Homelessness Prevention funding of £41,910 to support Discretionary Housing Payments as outlined within the report to Strategy & Resources Scrutiny Committee on 9 April 2013.</p>	41,910	Alison Cole
2	<p>Human Resources The HR service underspend includes the balance of a corporate budget earmarked to support organisational change and allocated to the Managers' Skills Programme. There is a request to carry forward the balance of £63,260 to complete the programme. The Managers' Skills programme has been implemented and will be completed by August 2014.</p>	63,260	Deborah Simpson
	Total Carry Forward Requests for Customer Services & Resources Portfolio	105,170	

Strategy Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14 and future years

Item		Amount £	Contact
1	<p>Director of Environment</p> <p>Carry forward request for £9k to cover the cost of the final work on repairs after Control room flood.</p>	9,000	M Beaumont
2	<p>Director of Customer & Community Services</p> <p>A carry forward is requested in respect of the salary for the Neighbourhood Resolution Panel Co-Ordinator, where recruitment to the role funded for a 2 year period took longer than anticipated (£14,300) and in Safer City and Community Safety Grants (£10,400), to meet commitments identified, but not fulfilled during 2012/13.</p>	24,700	L Kilkelly
	<p>Total Carry Forward Requests for Strategy Portfolio / Strategy & Resources Scrutiny Committee</p>	33,700	

Public Places Portfolio /Environment Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item		Request £	Contact
	Streets & Open Spaces - River Frontage Management		
1	Business Rates on Moorings from prior years awaiting assessment	19,250	A Wilson
2	Tree planting programme (ongoing scheme)	23,000	A Wilson
	Total Carry Forward Requests for Public Places Portfolio / Environment Scrutiny Committee	42,250	

Appendix D - Overview

Overview (Committees and Housing Capital Investment Plan) / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Committee	Original Budget £000	Final Budget £000	Outturn £000	Variance £000	Rephase £000	Over / (Under) Spend £000
Community Services:						
Arts, Sports & Public Places	2,656	1,911	1,229	(682)	725	43
Community Development and Health	1,324	898	727	(171)	183	12
Housing	29	204	174	(30)	32	2
Total Community Services	4,009	3,013	2,130	(883)	940	57
Environment:						
Environmental & Waste Services	1,146	944	683	(261)	216	(45)
Planning & Climate Change	2,450	385	223	(162)	160	(2)
Total Environment	3,596	1,329	906	(423)	376	(47)
Strategy & Resources:						
Customer Services & Resources	3,582	5,515	4,088	(1,427)	881	(546)
Strategy	173	173	143	(30)	33	3
Total Strategy & Resources	3,755	5,688	4,231	(1,457)	914	(543)
Total Committees	11,360	10,030	7,267	(2,763)	2,230	(533)
Housing Revenue Account (HRA)	21,663	21,868	11,539	(10,329)	9,586	(743)
Housing General Fund	802	1,716	1,431	(285)	151	(134)
Total for Housing Capital Investment Programme	22,465	23,584	12,970	(10,614)	9,737	(877)
Total Capital Plan	33,825	33,614	20,237	(13,377)	11,967	(1,410)

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

The above figures exclude:

- schemes transferred to the Hold List in the Budget Setting Report 2012/13
- schemes devolved to Area Committees in the Budget Setting Report 2012/13

Arts, Sport & Public Places Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
Customer & Community									
SC072	Poster Boards	N Jones	0	0	1	1	(1)	0	Planning application now approved for new poster board at Newmarket Road. Poster board to be purchased and erected on site with the remainder of the budget.
SC282	Kettle's Yard	D Kaye	40	0	0	0	0	0	Budget rephased at January 2013 committee
SC349	Fencing and Security at Jesus Green Pool	I Ross	0	0	8	8	0	8	Works complete
SC361	Disabled Access and Facilities - Guildhall Halls	S Bagnall	80	25	0	(25)	25	0	Initial £25k will be spent by June 2013. Remaining budget on hold pending investigation into disabled access options to Guildhall stage.
SC405	Improvements to play areas & open space at land behind St Matthews Street	I Ross	0	0	4	4	0	4	Works complete

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC436	Pye's Pitch Rec Facilities (S106)	I Ross	40	12	9	(3)	3	0	Access and steps completed. Final works to gated entrance underway. Project underspend to be returned until viable option for changing rooms can be found
SC441	Sheeps Green Canoe Clubhouse Extension (S106)	I Ross	(5)	(1)	6	7	0	7	Project complete.
SC450	Changing Facilities at Cherry Hinton Village Centre (S106)	I Ross	70	68	73	5	0	5	Project complete subject to contract retentions
SC460	Kings Hedges Learners Pool Electricity	I Ross	25	5	13	8	0	8	Project complete - No further works able to be carried out - Potential further projects and investments as part of leisure management procurement.
SC461	Jesus Green Skatepark Upgrade (S106)	I Ross	5	5	7	2	0	2	Project complete.
SC469	Vie Public Open Space (S106)	I Ross	16	15	6	(9)	9	0	Project almost complete subject to contract retentions
SC471	Parkside Changing Rooms	D Kaye	0	21	9	(12)	0	(12)	Project complete.
SC476	Water Play Area Abbey Paddling Pool (S106)	I Ross	55	50	0	(50)	50	0	Project now includes additional funds for Public Art contributions to enhance project. Delivery rescheduled to complete by March 2014.
SC477	Coleridge Paddling Pool Enhancement (S106)	I Ross	40	50	0	(50)	50	0	Project now includes additional funds for Public Art contributions to enhance project. Delivery rescheduled to complete by March 2014.
SC478	Water Play Area Kings Hedges "Pulley" (S106)	I Ross	80	50	0	(50)	50	0	Project now includes additional funds for Public Art contributions to enhance project. Delivery rescheduled to complete by March 2014.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC512	Hobbs Pavilion Refurbishment (\$106)	I Ross	140	210	206	(4)	4	0	Coming in under budget. Projected completed cost of £215,000
SC522	New Sound Equipment at Corn Exchange	S Bagnall	200	0	0	0	0	0	Budget rephased at January 2013 committee
SC545	Parkside Pool Variable Speed Drive	I Ross	0	44	43	(1)	9	8	Project complete apart from electronic interface between Abbey and Parkside Pools (see funding from SC546)
SC546	Abbey Pool Variable Speed Drive	I Ross	0	46	28	(18)	0	(18)	Project complete, part funding to be transferred to SC545 as a linked scheme.
SC547	Corn Exchange Lift Replacement	S Bagnall	0	0	17	17	0	17	Project incorrectly deleted in January 2013 Scutiny Committee (Original Budget £15,000)
SC553	Corn Exchange House Lighting LED Upgrade	S Bagnall	0	40	43	3	0	3	Project complete
SC575	Corn Exchange Stage Lift	S Bagnall		60	60	0	0	0	Project complete

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC576	Thermal Pool Covers	I Ross		23	23	0	0	0	Project complete
Environment									
SC234	Histon Road Cemetery Landscaping (S106)	A Wilson	0	5	0	(5)	5	0	Projects to be identified
SC247	Histon Road - Refurbishment of play area (S106)	A Wilson	0	3	11	8	0	8	Project complete
SC248	Allotment Improvements (S106)	A Wilson	17	0	3	3	(3)	0	Budget was rephased to 2013/14 as agreed at January 2013 Community Services Scrutiny committee.
SC396	Ravensworth Gardens - Remedial & Improvement Work	A Wilson	25	25	25	0	0	0	Project complete.
SC410	Mill Road Cemetery	A Wilson	0	0	3	3	0	3	Project complete.
SC432	Mill Road Cemetery Memorial Artwork (S106)	A Preston	51	41	9	(32)	32	0	This project has experienced significant delays due to the requirement for faculty approval from the dioceses for work to the cemetery. This approval has finally been received and the project can now be implemented by the artist.
SC433	Snowy Farr Memorial Artwork (S106)	A Preston	40	43	44	1	0	1	Project complete.
SC435	Biodiversity Projects Year 2 & 3	G Belcher	0	5	5	0	0	0	Project complete.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC456	Coldhams Common LNR Extension (S106)	G Belcher	54	41	33	(8)	8	0	Project on hold. Awaiting feedback from Friends of Coldhams Common proposed revision prior to further stakeholder consultation.
SC474	Cherry Hinton Hall Grounds Improvements - Phase 1 (S106)	A Wilson	75	40	21	(19)	19	0	Pathway and remedial works to be completed in 2013/14.
SC479	Abbey Pool Play Area Facilities (S106)	A Preston	89	0	3	3	(3)	0	Further consultation now required to determine whether the play area should be split to improve access. A S38 application/planning application will then be required following the outcome of the consultation, should the consensus be that the play area should be split/partly relocated.
SC492	Jesus Green Play Area (S106)	A Preston	152	0	4	4	(4)	0	S38 and Planning Applications now submitted, which has led to the delay in completion of this project. The outcome of this could impact further on programme.
SC493	Jesus Green Tennis Court (S106)	A Preston	91	115	102	(13)	3	(10)	Project complete. Final retention due in 2013/14
SC494	Kings Hedges "Pulley" Play Area (S106)	A Preston	75	74	3	(71)	71	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.
SC496	Petersfield Play Area (S106)	A Preston	78	67	3	(64)	64	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC497	Peveral Road Play Area (S106)	A Preston	88	87	3	(84)	84	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.
SC499	Outdoor Fitness Equipment in Parks (S106)	A Preston	120	0	0	0	0	0	Scheme removed from the Capital Plan.
SC500	Trumpington Rec Outdoor Space (S106)	A Preston	48	47	46	(1)	1	0	Project complete. Some retention monies retained.
SC519	Wulfstan Way Art Project (S106)	N Black	45	42	43	1	0	1	Project complete.
SC520	Community Olympic Public Art Commission (S106)	N Black	129	106	104	(2)	0	(2)	Project complete.
SC521	Creation of New Allotment Site	A Wilson	15	19	19	0	0	0	Project complete.
SC544	Coleridge Recreation Ground Improvements (S106)	A Wilson	289	0	0	0	0	0	Budget rephased to 2013/14 as agreed at January 2013 Community Services Scrutiny committee.
SC548	Southern Connections Public Art Commission (S106)	N Black	0	4	2	(2)	2	0	Project on target
	Active Communities Small Projects (under £15k) (S106)	A Preston	0	0	10	10	0	10	S106 funds to be allocated towards minor projects.
PR010a	Environmental Improvements Programme - North Area	A Preston	98	43	47	4	(4)	0	Allocated spend to year end achieved.
PR010b	Environmental Improvements Programme - South Area	A Preston	55	8	7	(1)	1	0	Some delay to the delivery of projects from unexpected results from consultation and delays through working with the County Council.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR010c	Environmental Improvements Programme - West/Central Area	A Preston	74	111	38	(73)	73	0	Delays to the delivery of the Grantchester Road Traffic Calming project and underspends through the delivery of schemes at a lower cost.
PR010d	Environmental Improvements Programme - East Area	A Preston	87	45	45	0	0	0	Allocated spend to year end achieved.
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Preston	0	25	(7)	(32)	32	0	Final invoice awaited from County Council.
PR010j	Environmental Improvements Programme - Fitzroy/Burleigh Street	A Preston	0	88	18	(70)	70	0	Final invoice awaited from County Council.
PR010k	Environmental Improvements Programme - Wulfstan Way Local Centre (S106)	A Preston	0	29	29	0	0	0	Project complete.
PR027	Replacement of Parks & Open Space Waste/Litter Bins	A Wilson	75	75	0	(75)	75	0	Procurement team has met. Working up tender and looking at options for summer 2013.
Total for Arts & Recreation Portfolio			2,656	1,911	1,229	(682)	725	43	
Total for Arts & Recreation Portfolio			2,656	1,911	1,229	(682)	725	43	
Devolved to Area Committees			717						
Total reported			3,373						

Changes between original and final budgets may be made to reflect:

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests) in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

The above figures exclude:

- schemes transferred to the Hold List in the Budget Setting Report 2012/13
- schemes devolved to Area Committees in the Budget Setting Report 2012/13

Community Development & Health Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
Customer & Community Services - Community Development									
SC283	City Centre Youth Venue (S106)	T Woollams	100	0	0	0	0	0	In October 2012, following extensive consultation with young people, it was agreed at Community Services Scrutiny not to pursue a city centre youth venue and so the budget has been removed from the capital plan. A programme of youth work, informed by the consultation, was agreed at Community Services Scrutiny in March 2013 and is being progressed within existing service budgets.
SC385	Energy Efficiency Programme - Meadows	T Woollams	13	14	14	0	0	0	Project completed.
SC406	The Junction Development Programme (S106)	T Woollams	2	0	0	0	0	0	Project completed.
SC440	King George Vth Rec Ground Pavilion Redevelopment - Consolidated Scheme (S106)	T Woollams	32	26	10	(16)	16	0	Project awaiting planning permission to continue. Rephase to 2013/14.
SC526	Clay Farm Community Centre - Phase 1 (S106)	A Carter	420	179	183	4	0	4	Project on programme
PR025	New Town Community Development Capital Grants Programme (S106)	T Woollams	114	47	47	0	0	0	Remaining budget was rephased to 2013/14.
PR026	Community Development Grants Programme (S106)	T Woollams	373	429	322	(107)	107	0	Includes many capital projects reliant on voluntary organisations delivering projects to programme.

Community Development & Health Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
Environment - Bereavement Services									
SC09	Mercury Abatement	T Lawrence	0	100	108	8		8	Project completed. Unforeseen and essential repairs to the roadway at the Crematorium following the completion of the crematory project have cost £23k. The building works retention of £31k will be paid as and when snagging is complete (dispute between contractors). The consequent marginal overall project overspend (project budget £2M - £38k = 1.8%) will be funded from Repairs and Renewals and will not require further committee approval as the overall forecast expenditure is within the original budget approval. Contractors are expected to re-level floor of crematory on 13 May. The final costs for the upgrade and connection to the Council's IT infrastructure, currently undergoing testing following delays outside our control, are still being quantified and will be similarly funded from Repairs & Renewals contributions within the original project approval but are not shown in the forecast spend to year end at this time.
SC523	Refurbishment of Newmarket Rd Cemetery Buildings	T Lawrence	120	78	43	(35)	35	0	Original target date of 31 March 2013, revised to 30 April 2013, which has been agreed with Ex Cllr via HoS. Project on target, despite one week delay due to the need for a small redesign of the roofing steel work. Underspend due to a delay in commencement of contract and delivery and installation of steelworks. Project completion date delayed to Friday 10th May following change in sanitary ware necessitated by discovery of syringes and sharps.

Community Development & Health Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC524	Cambridge Crematorium - Chapels & Public Areas Refurbishment	T Lawrence	120	25	0	(25)	25	0	Phase 1: East Chapel Waiting Room - decision of selected contractor(s) for minor construction and subsequent decoration works expected to occur week of 13 May. Completion of these works is expected by 30 June 2013. Procurement of associated soft furnishings and furniture continues.
SC525	Cambridge Crematorium - Staff Room Refurbishment	T Lawrence	30	0	0	0	0	0	Project incorporated into main refurbishment works. Original plan aborted due to unforeseen subsidence damage, resulting in an alternative option for a staff refreshment facility being agreed and relocated on the crematorium site. Change of use to original building to be explored via the business plan during 2015-2016.
Pa			1,324	898	727	(171)	183	12	
Co	Capital for Community Development & Health Portfolio		1,324	898	727	(171)	183	12	

Changes between original and final budgets may be made to reflect:

- phased capital spend from the previous financial year
- re-phased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

Housing Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC414	Property Accreditation Scheme	R Lord	0	25	41	16	(16)	0	This grant funding is dependant on applications made by landlords who wish to join the property accreditation scheme and improve the energy efficiency of their houses. The final spend was greater than anticipated in January when the budget was rephased. It is requested that some of the rephased budget in 2013-14 be brought back to fund the spend in 2012-13.
SC527	Energy efficiency Improvements to private sector housing	J Dicks	0	150	102	(48)	48	0	Some of the remaining fund was not spent by original target completion date because of the premature withdrawal of the Govt. CERT Scheme. It is requested that the unspent budget is rephased in order that it is spent in the first quarter of 2013/14. Officers will work with qualifying contractors to progress agreed work during the early part of the new financial year.
SC529	Changes to office layout for Housing Options / Choice Based Lettings	D Greening	29	29	31	2	0	2	Building work to accommodate the restructured Housing Advice Service on the ground floor of Hobson House was carried out during 2012/13, with the total cost being approximately £2,000 more than originally anticipated.
Total Projects						(30)	32	2	

Housing Portfolio / Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV163	Compulsory Purchase Orders (CPOs)	R Lord	0	0	0	0	0	0	Currently no properties are prioritised for CPO action. Revising policy and reviewing long term vacants.
PV386	HMOs - Management Orders	R Lord	0	0	0	0	0	0	No properties are currently identified for action. Basis of protocol agreed with City Homes who will manage properties where action is taken
Total Provisions									
PR001	Housing Capital Investment Programme	J Hovells	22,465	23,584	12,970	(10,614)	9,737	(877)	See Appendix E and associated notes in respect of the Housing Capital Investment Plan
Total Programmes			22,465	23,584	12,970	(10,614)	9,737	(877)	
Total for Housing			22,494	23,788	13,144	(10,644)	9,769	(875)	

Changes between original and final budgets may be made to reflect:

- re-phased capital spend from the previous financial year
- re-phased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

**Environmental and Waste Services Portfolio / Environment Scrutiny Committee
Capital Budget 2012/13 - Outturn**

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC423	Recycling Bins for Flats	J Robertson	0	90	65	(25)	25	0	Further commingled recycling bins to be provided to certain flats next year, although the majority of this work has been completed in 2012-13. This work is included in the Operational Plan for the coming year.
SC511	Route Optimisation Software	C Hipwood	0	2	2	0	0	0	Project Complete
Sc530	Street Cleaning Planning Software	B Carter	15	15	0	(15)	15	0	The section is currently completing a review of Street Cleansing and the outcomes of a review by Improvement East. It is possible that the Contender system will be able to do some of the work that this budget was requested for and it is asked that this budget is carried over to 2013-14 when the review is completed.
SC531	In Cab Technology for Trade Waste Service	M Patsons	16	16	5	(11)	11	0	The pilot project has been extended until 31/5/2013 due to hardware reliability issues. The retention balance is payable on completion. Phase 2 will follow once the pilot project has been signed off.
	Total Projects		31	123	72	(51)	51	0	
PR016	Public Conveniences	B Carter	450	21	21	0	0	0	
PR017	Vehicle Replacement Programme	D Cox	540	672	461	(211)	166	(45)	The variance is due to two vehicles being placed on hold waiting for the decision whether or not to replace. The vehicles are on back order with the factory. This amounts to £166K. The balance of £50k is not required.
PR028	Litter Bin Replacement Programme	B Carter	125	125	112	(13)	13	0	Phase 1 was completed at 31st March 2013.
PR035	Waste & Recycling Bins - New Developments (S106)	J Robertson	0	3	17	14	(14)	0	The spend in the current year was greater than expected. Profiling dependent on new properties being occupied.
	Total Programmes		1,115	821	611	(210)	165	(45)	

Environmental and Waste Services Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
Total for Environmental and Waste Services Portfolio			1,146	944	683	(261)	216	(45)	

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- in the January committee cycle (as part of the budget setting report)

Planning and Climate Change Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC366	Green Parking Bays	S Cleary	2	0	0	0	0	0	Project complete.
SC416	UNiform e-consultee Access Module	P Boucher	8	0	0	0	0	0	Project commencement dependent upon Corporate upgrade of IDOX DMS V4. Not being released until Summer 2013.
SC417	Development of UNiform System	P Boucher	14	8	8	0	0	0	Funding is spread over the implementation of a number of sub modules of Uniform. Project 1 - Conditions Monitoring Module - Completed April 2013. Project 2 - Enforcement Module implementation in progress estimated completion December 2013.
SC439	LED Lighting - Grand Arcade Annex Car Park	S Cleary	0	0	(6)	(6)	0	(6)	Project complete.
SC448	Rebuild Grafton West Car Park Wall at Salmon Lane	S Cleary	0	0	2	2	0	2	Project complete.
SC449	Holy Trinity War Memorial Shelter	G Richardson	0	11	12	1	0	1	Project complete.
SC505	Land Explorer Software	G Richardson	10	0	7	7	(7)	0	Original budget largely spent in March 2013 through purchase of ESRI 3-D model data, approximately £2.7k left to purchase upgrade of data. Model will be helpful to wide variety of planning and design work.

Planning and Climate Change Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC506	Replacement Grand Arcade Car Park Pay on Foot Machines	S Cleary	400	14	12	(2)	2	0	The value of this project is £400K. All monies spent to date have been on consultant costs to prepare and evaluate tender but is part of the overall project cost. The main spend for this project will be in 2013/14 with a 1 year retention fee paid in Sept 2014 (5% of overall contract fee). Procurement lead in time, product development to come onto the market and the need to manage installation to avoid Christmas peak period has meant that implementation of this project has been rephased to 2013/14.
SC510	Chip & Pin Upgrade in Car Parks	S Cleary	0	0	1	1	0	1	Project complete.
SC516	Relocation Grand Arcade Car Park Control Room	S Cleary	0	49	48	(1)	1	0	Building project completed May 2012. Retention fees overlooked during financial planning. £10k fees will be required for release in May 2013.
SC533	Improvement to St Lighting Mill Rd - Railway Bridge to Perne Road	A Preston	60	60	60	0	0	0	Project complete.
SC534	Refurbishment of Park Street Car Park	S Cleary	0	0	9	9	(9)	0	Option appraisal currently being undertaken, considering best value redevelopment for site. Exact project costs can not be determined until a final decision is made by council on the future of the car park.
SC535	Repairs to Grafton West Car Park	S Cleary	150	0	2	2	(2)	0	Architects fees paid ahead of works programmed to start in August/September 2013.
SC536	Replace obsolete Shopmobility stock	S Cleary	15	15	15	0	0	0	Project complete.
SC549	City Cycle Park	A Preston	0	15	11	(4)	4	0	Project on programme.

Planning and Climate Change Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC570	Essential Structural/Holding repairs Park Street multi-storey Car Park	S Cleary	0	0	1	1	(1)	0	Architects fees paid ahead of programme of repairs expected to start in August 2013.
Total Projects			659	172	182	10	(12)	(2)	
PR014	Environmental Safety Fund	D Foley-Norman	11	0	0	0	0	0	Officers to determine potential schemes for allocation.
PR019	Car Parks Infrastructure and Equipment Replacement Programme	S Cleary	995	0	0	0	0	0	Budget removed from the Capital Plan. Future capital schemes to be brought forward on an individual project basis.
Total Programmes			1,006	0	0	0	0	0	
PV007	Cycleways	A Preston	338	88	16	(72)	72	0	The Downhams Lane project rights of way agreement now signed. Construction due to start in July 2013. Perne Rd/Radegund Rd Scheme now a £413k scheme with additional £240k externally secured from the DFT/Times cycling budget. Two new projects now being worked on for implementation in 2013/14.
PV018	Bus Shelters	A Preston	207	75	17	(58)	58	0	The bus shelter manufacturers lead in times would have pushed the majority of spend planned for this financial year into next. In addition, the client has changed their requirements therefore resulting in a test of the market for procurement purposes. This process has brought further delay to the project. The results from testing the market will be determined by the end of April 2013.

Planning and Climate Change Portfolio / Environment Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV033B	Street Lighting	A Preston	40	0	0	0	0	0	This is dependent on the County Council's programme for street lighting, which is not known at this point.
PV532	Cambridge City 20mph Zones Project	P Dell	200	50	8	(42)	42	0	This scheme is in its early days. Cost to date is for ATC surveys. More costs will follow from April 2013 onwards.
Total Provisions			785	213	41	(172)	172	0	
Total for Planning and Climate Change			2,450	385	223	(162)	160	(2)	

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- approval of new capital programmes and projects

and are detailed and approved:

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- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend	Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000				
SC335	Customer Access Strategy - IT Workstream	C Bolton	0	76	56	(20)	20	0	Project is nearing completion. Remaining budget is required for final project management/IT costs.					
SC537	Additional Desks and Interview Room in Customer Service Centre	C Bolton	25	25	28	3	0	3	Scheme completed. Overspend of £3k has been financed from repairs and renewals funding.					
SC538	Information Kiosks to be Installed in Local Area	C Bolton	25	25	0	(25)	25	0	Contract has been awarded. Kiosks to be installed by end of August 2013.					
SC555	Siemens Maintenance Contract	C Bolton	0	75	8	(67)	67	0	Contract has been awarded. Project will be completed in the 2013/14 financial year.					
SC508	E-Benefits	A Cole	0	5	0	(5)	5	0	Remaining budget is required for final project support/IT costs.					
SC552	Localisation of Council Tax - Implementation Costs	A Cole	0	84	73	(11)	11	0	Software purchased. The remaining budget is required for project support/IT costs.					
SC391	La Mimosa Punting Station	P Doggett	0	10	0	(10)	10	0	Investigating possible match funding by punt operators for a combined pontoon with storage facility.					
SC559	CBbid Software	K Jay	0	20	17	(3)	3	0	Remaining budget is required for final project support/IT costs.					
SC429	Telephony System Upgrade	J Nightingale	50	15	0	(15)	15	0	Project now planned for the 2013/14 financial year. (There is existing budget provision of £35k in the 2013/14 financial year.)					
SC541	Corporate PC Replacement Programme	J Nightingale	350	350	234	(116)	116	0	Due to supplier delays, procurement of laptops was not completed in March as planned. Procurement is now underway.					
SC550	Cambridge Future City Feasibility Study	J Nightingale	0	50	47	(3)	0	(3)	Scheme completed.					
SC312	Automated Energy Monitoring System	J Stocker	0	23	0	(23)	0	(23)	Capital budget no longer required. Currently negotiating with existing gas shipper for the installation of Automatic Meter Reading (AMR) meters. There will be an ongoing annual revenue expenditure commitment for data collection.					

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend	Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000		£000		
SC362	Lighting and Power in Committee Rooms	J Stocker	15	15	15	1	1	(14)	14	0	0	0	0	Lighting design has been completed. Members' approval will need to be sought before completion of installation.
SC558	Boiler Replacement at Mill Road Admin Block	J Stocker	0	30	30	33	3	0	0	3	0	3	0	Scheme completed. Overspend of £3k has been financed from repairs and renewals funding.
SC507	Visit Cambridge Website	E Thornton	0	10	10	8	(2)	2	0	0	0	0	0	Carry forward of £2k requested which will be used towards the development of a mobile version of the Visit Cambridge website. This formed part of the original project specification. This has been delayed due to reduced staff resource due to maternity leave but will be delivered in the first half of next year.
SC539	Metered System for the Supply of Electricity on the Market	A White	50	0	0	0	0	0	0	0	0	0	0	Scheme re-phased to the 2013/14 financial year.
SC540	Electronic Market Management Software	A White	22	22	22	8	(14)	14	0	0	0	0	0	New system has gone live and is in final stages of testing integration with Oracle. Payment is in stages with final stage three months after successful implementation.
Total Projects			537	835	513	(322)	302	(20)						

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13	Final Budget 2012/13	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC554	Development of Land at Clay Farm	A Carter	0	2,113	1,752	(361)	361	0	The costs incurred are in respect of the Collaboration Agreement with Countryside. Rate of invoices from Countryside relate directly to rate of house-building which is variable and beyond our control. Target completion date is long stop date in draft Development Agreement and equates to four years from estimated planning approval. Budget of £361k needs to be re-phased to the 2016/17 financial year.
SC192	Development Land on the North Side of Kings Hedges Road	P Doggett	182	80	36	(44)	44	0	A contractor for the remaining Stage 2 infrastructure works has now been appointed. Following receipt of revised estimates from the managing agent, budget of £44k needs to be re-phased to the 2014/15 financial year.
SC221b	Lion Yard - Contribution to Works - Phase 2	P Doggett	1,793	1,200	679	(521)	0	(521)	This is a scheme whereby we contribute 25% of the overall cost of the capital works at Lion Yard. Further costs are due to be paid in the 2013/14 financial year. Following receipt of forecast cost information from the Lion Yard managing agent, the 2013/14 capital budget of £617k is deemed to be sufficient to fund the final scheme costs. The remaining 2012/13 capital budget of £521k does not therefore need to be carried forward to the 2013/14 financial year.
SC329	Corporate Document Management (DIP & EDRM)	J Nightingale	350	73	37	(36)	36	0	Following roll-out to services directly relating to the customer services centre bids are being sought from other services against the remaining balance. An updated position is scheduled to be reported in September 2013 including recommendations on the level of funding to be retained.
Total Provisions			2,325	3,466	2,504	(962)	441	(521)	

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13		Final Budget 2012/13		Outturn		Variance - Outturn compared to Final Budget		Re-phase Spend		Over / (Under) Spend		Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
PR023	Admin Buildings Asset Replacement Programme	W Barfield	98	121	78	121	78	(43)	43						The Admin Buildings Asset Replacement work programme will be reviewed during the 2013/14 financial year following completion of new condition surveys.
PR024	Commercial Properties Asset Replacement Programme	W Barfield	77	44	34	44	34	(10)	10						The Commercial Properties Asset Replacement work programme will be reviewed during the 2013/14 financial year following completion of new condition surveys.
PR020	ICT Infrastructure Programme	J Nightingale	525	1,029	944	1,029	944	(85)	85						Slippage on several projects resulted in work not being completed to the original timescales. The relevant projects should be completed by end June/early July 2013.
PR003	City Centre Management Programme	E Thornton	20	20	15	20	15	(5)	0						Scheme will continue to be promoted through the Cambridge BID and the city centre business community in general.
Total Programmes			720	1,214	1,071	1,214	1,071	(143)	138						
Total for Customer Services & Resources Portfolio			3,582	5,515	4,088	5,515	4,088	(1,427)	881						

Strategy Portfolio / Strategy & Resources Scrutiny Committee
Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC542	Solar Thermal Panels/Energy efficiency measures on non-hsg properties	D Kidston	140	140	143	3	0	0	
SC543	Voltage Optimisation Roll-out	D Kidston	33	33	0	(33)	0	33	Mandela House: installation was scheduled for 23 March, but was delayed due to essential IT systems work in preparation for changes to Revenues and Benefits service as a result of new guidance from Department for Work and Pensions. Installation was successfully completed on 13 April 2013. Mill Road depot: Proposed installation at Mill Road: Not being progressed because the feasibility study revealed that the business case was not viable. Officers have established that there is a viable business case for installation of the technology at Grafton East car park, which is scheduled for 10 June 2013.
Total for Strategy Portfolio			173	173	143	(30)	0	33	

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- re-phased capital spend into future financial periods
- approval of new capital programmes and projects

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- in the January committee cycle (as part of the budget setting report)

Public Places Portfolio within the Arts, Sport & Public Places to Community Services Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
Environment									
SC234	Histon Road Cemetery Landscaping (S106)	A Wilson	0	5	0	(5)	5	0	Projects to be identified
SC347	Histon Road - Refurbishment of play area (S106)	A Wilson	0	3	11	8	0	8	Project complete
SC348	Allotment Improvements (S106)	A Wilson	17	0	3	3	(3)	0	Budget was rephased to 2013/14 as agreed at January 2013 Community Services Scrutiny committee.
SC396	Ravensworth Gardens - Remedial & Improvement Work	A Wilson	25	25	25	0	0	0	Project complete.
SC410	Mill Road Cemetery	A Wilson	0	0	3	3	0	3	Project complete.
SC432	Mill Road Cemetery Memorial Artwork (S106)	A Preston	51	41	9	(32)	32	0	This project has experienced significant delays due to the requirement for faculty approval from the dioceses for work to the cemetery. This approval has finally been received and the project can now be implemented by the artist.
SC433	Snowy Farr Memorial Artwork (S106)	A Preston	40	43	44	1	0	1	Project complete.
SC435	Biodiversity Projects Year 2 & 3	G Belcher	0	5	5	0	0	0	Project complete.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC456	Coldhams Common LNR Extension (S106)	G Belcher	54	41	33	(8)	8	0	Project on hold. Awaiting feedback from Friends of Coldhams Common proposed revision prior to further stakeholder consultation.
SC474	Cherry Hinton Hall Grounds Improvements - Phase 1 (S106)	A Wilson	75	40	21	(19)	19	0	Pathway and remedial works to be completed in 2013/14.
SC479	Abbey Pool Play Area Facilities (S106)	A Preston	89	0	3	3	(3)	0	Further consultation now required to determine whether the play area should be split to improve access. A S38 application/planning application will then be required following the outcome of the consultation, should the consensus be that the play area should be split/partly relocated.
SC492	Jesus Green Play Area (S106)	A Preston	152	0	4	4	(4)	0	S38 and Planning Applications now submitted, which has led to the delay in completion of this project. The outcome of this could impact further on programme.
SC493	Jesus Green Tennis Court (S106)	A Preston	91	115	102	(13)	3	(10)	Project complete. Final retention due in 2013/14
SC494	Kings Hedges "Pulley" Play Area (S106)	A Preston	75	74	3	(71)	71	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.
SC496	Petersfield Play Area (S106)	A Preston	78	67	3	(64)	64	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC497	Peveral Road Play Area (S106)	A Preston	88	87	3	(84)	84	0	Contractor on site, construction close to completion. Delays due to late mobilisation of Contractor.
SC499	Outdoor Fitness Equipment in Parks (S106)	A Preston	120	0	0	0	0	0	Scheme removed from the Capital Plan.
SC500	Trumpington Rec Outdoor Space (S106)	A Preston	48	47	46	(1)	1	0	Project complete. Some retention monies retained.
SC519	Wulfstan Way Art Project (S106)	N Black	45	42	43	1	0	1	Project complete.
SC520	Community Olympic Public Art Commission (S106)	N Black	129	106	104	(2)	0	(2)	Project complete.
SC521	Creation of New Allotment Site	A Wilson	15	19	19	0	0	0	Project complete.
SC544	Coleridge Recreation Ground Improvements (S106)	A Wilson	289	0	0	0	0	0	Budget rephased to 2013/14 as agreed at January 2013 Community Services Scrutiny committee.
SC548	Southern Connections Public Art Commission (S106)	N Black	0	4	2	(2)	2	0	Project on target
	Active Communities Small Projects (under £15k) (S106)	A Preston	0	0	10	10	0	10	S106 funds to be allocated towards minor projects.
PR010a	Environmental Improvements Programme - North Area	A Preston	98	43	47	4	(4)	0	Allocated spend to year end achieved.
PR010b	Environmental Improvements Programme - South Area	A Preston	55	8	7	(1)	1	0	Some delay to the delivery of projects from unexpected results from consultation and delays through working with the County Council.

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR010c	Environmental Improvements Programme - West/Central Area	A Preston	74	111	38	(73)	73	0	Delays to the delivery of the Grantchester Road Traffic Calming project and underspends through the delivery of schemes at a lower cost.
PR010d	Environmental Improvements Programme - East Area	A Preston	87	45	45	0	0	0	Allocated spend to year end achieved.
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Preston	0	25	(7)	(32)	32	0	Final invoice awaited from County Council.
PR010j	Environmental Improvements Programme - Fitzroy/Burleigh Street	A Preston	0	88	18	(70)	70	0	Final invoice awaited from County Council.
PR010k	Environmental Improvements Programme - Wulfstan Way Local Centre (S106)	A Preston	0	29	29	0	0	0	Project complete.
PR027	Replacement of Parks & Open Space Waste/Litter Bins	A Wilson	75	75	0	(75)	75	0	Procurement team has met. Working up tender and looking at options for summer 2013.

Total for Public Places Portfolio	1,870	1,188	673	(515)	526	11
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2012/13 Housing Capital Investment Plan - HRA & GF

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Re-phase Spend £000's	Notes	Re-Phasing Year				Budget 2013/14 £000's	
							2013/14 £000's	2014/15 £000's	2015/16 £000's	Post 2016/17 £000's		
General Fund Housing Capital Spend												
Investment in Affordable Housing	0	0	0	0	0							0
Other General Fund Housing	802	1,716	1,431	(285)	151	1						916
Total General Fund Housing Capital Spend	802	1,716	1,431	(285)	151							916
HRA Capital Spend												
Decent Homes Programme	9,054	10,658	6,889	(3,769)	3,415	2						11,827
Other Spend on HRA Stock	3,210	4,690	2,576	(2,114)	2,216	3						4,535
HRA New Build	5,088	4,250	1,075	(3,175)	3,173	4						15,150
Cambridge Standard Works	200	506	134	(372)	172	5						372
Sheltered Housing Capital Investment	3,224	664	639	(25)	27	6						1,927
Other HRA Capital Spend	887	1,100	226	(874)	583	7						1,243
Total HRA Capital Spend	21,663	21,868	11,539	(10,329)	9,586							35,054
Total Housing Capital Spend	22,465	23,584	12,970	(10,614)	9,737							35,970
Housing Capital Resources												
Right to Buy Receipts (General Use)	0	(398)	(401)	(3)	0	8						(441)
Right to Buy Receipts (Retained for New Build / Acquisition)	0	0	(2,080)	(2,080)	0	8						0
Right to Buy Receipts (Debt Set-Aside)	0	0	(997)	(997)	0	8						0
Other Capital Receipts (Land and Dwellings)	0	(1,500)	(13)	1,487	(1,500)	9						(6,808)
MRA / MRR	(7,673)	(3,424)	(3,424)	0	0							(12,374)
Client Contributions	0	0	(120)	(120)	0	10						0
Direct Revenue Financing of Capital	(9,333)	(10,438)	(7,353)	3,085	(3,085)	11						(10,247)
Other Capital Resources (Grants / Shared Ownership / Loan Repayments / R&R)	(3,769)	(774)	(670)	104	0							(1,866)
Developer's Contributions (Affordable Housing)	0	(68)	(68)	0	0							0
Prudential Borrowing	0	0	0	0	0							0
Total Housing Capital Resources	(20,775)	(16,602)	(15,126)	1,476	(4,585)							(31,736)
Net (Surplus) / Deficit of Resources	1,690	6,982	(2,156)	(9,138)								4,234
Capital Balances b/f	(9,190)	(9,190)	(9,190)									(8,277)
Use of / (Contribution to) Balances in Year	1,690	6,982	(2,156)	(9,138)								4,234
Set-aside for future Debt Redemption	0	0	997			8						
Set-aside for Retained Right to Buy Receipts	0	0	2,072			8						
Capital resources remaining to fund future Housing Investment Programme	(7,500)	(2,208)	(8,277)	(9,138)								(4,043)

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	<p>The underspending of £285,000 is a combination of the following - a) an underspend on the Assessment Centre on East Road (£331,000) where final invoices and retention sums are still outstanding, b) no demand for the use of the budget to tackle unfit housing in the private sector (£20,000) and c) an apparent overspend in respect of Disabled Facilities Grants and Private Sector Housing Grants and Loans of £49,000, which relates to monies spent where the costs were recovered from clients and accounted for elsewhere in the accounts (see note 10). £151,000 of the resource in respect of the Assessment Centre requires re-phasing into 2013/14, with the balance being a saving in the revised costs of delivering the scheme.</p>
2	<p>A net underspend of £3,769,000 in decent homes expenditure during 2013/14 relates predominantly to delivery of year 2 of the Planned Maintenance Contract, which was due to run until July 2013, as the original start date was delayed in 2011. Overspending in health and safety works (£184,000) and damp works (£27,000) were more than offset by underspending in other areas of the decent homes programme, where re-phasing of resources is required to allow completion the anticipated programme to July 2013. This includes re-phasing into 2013/14 in respect of wall insulation (£100,000), PVCU (£34,000), re-wiring (£100,000), re-roofing works (£540,000), boilers (£800,000) chimneys (£51,000), energy works (£59,000), smoke detectors (£3,000), backlog works (£650,000), contractor overheads (£242,000), PTR works (£200,000) and major void works (£45,000). Re-phasing into 2015/16 is requested in respect of delayed roof structure works (£387,000) and to the end of the existing funding, 2028/29, in respect of sulphate works (£204,000).</p> <p>Residual underspending of £132,000 in capital PTR work is evident in 2012/13 due to the cost of work being charged to the revenue element of the contract in error. Underspending in respect of HHSRS, internal technical and external professional fees also contributed to the underspend for the year.</p>
3	<p>A net underspend of £2,114,000 was evident in 2012/13, combining underspending in a number of areas where work is still required and funds will need to be re-phased, including; garage improvement works (£46,000 + £4,000 for East Road), hard surfacing works on HRA land (£130,000 into 2015/16), hard-surfacing recycling works (£147,000), works to communal flooring (£70,000 into 2013/14 and £200,000 into 2014/15), works to communal areas (£500,000 into 2014/15), works to the laundry at Hanover Court (£2,000), lifts (£16,000) and disabled adaptations (£136,000). Resources of £760,000 are also required to be re-phased in respect of fire safety works, where a proportion of the works are yet to be carried out by the secondary planned maintenance contractor, £49,000 for works to Cemetery Lodge and £156,000 in respect of contractor overheads. In addition to re-phasing, underspending in respect of internal technical fees, recycling area works and tenants incentive schemes broadly offset significant overspending in fencing works and asbestos removal.</p>
4	<p>This relates to the timing of the spend in respect of the 146 new and re-development programme. A net resource of £3,173,000 is required to be re-phased into 2013/14 and beyond to ensure that contractual commitments can be met. Payments are made under the development contract once the developer has spent more on building out the Affordable Housing element of the site than the notional value of the land that the market housing will occupy. The timing of this is difficult to predict at project outset, as the length of time taken to get on site in each case varies, dependent upon the number of existing residents that requires re-housing and any planning constraints on the site. The net re-phasing combines slippage of resource for Roman Court, Latimer Close, Barnwell Road, Campkin Road, Colville Road, Aylesborough Close and Water Lane, partially offset by use of resource for Stanesfield Road, Seymour Court and Atkins Close earlier than it was profiled to be used in the latest capital plan.</p>
5	<p>Approval was given for the 2012/13 Cambridge Standard allocation to be spent on a variety of environmental projects across the city. Some of these projects are yet to be completed and resources of £172,000 are requested to be carried forward into 2013/14 to allow these, and other projects to take place.</p>

6	Re-phasing of £12,000 in respect of the feasibility works for re-development of Ditchburn Place is requested to allow this scheme to be moved forward in 2013/14 and £15,000 in relation to emergency alarm upgrades to allow completion of the current programme of sheltered scheme replacements .
7	Underspending of £874,000 combines the need to rephase resource into 2013/14 in respect of the costs of upgrading the hardware and software that allow reporting of the Orchard Housing Management Information System (£33,000) the IT development planned as part of the Repairs Improvement Plan (£131,000) and new IT to record Anti-Social Behaviour case work (£27,000), where work has started, but is not yet complete. Resources of £202,000 are also requested to be rephased to complete the work to convert ECCHO House to a residential dwelling and to undertake roofing works to commercial premises in Campkin Road. The remaining allocation from 2012/13 for buying back ex-Council dwellings of £190,000 is also requested as a carry forward, to allow the authority to proceed with acquisitions to ensure appropriate utilisation of retained right to buy receipts, which need 70% match funding.
8	41 properties were sold in total during 2012/13. £401,000 of the capital receipt is available for general use, while £997,000 of the overall capital receipt is identified under new right to buy legislation as needing to be set-aside to offset the debt associated with the unit no longer owned. A further £2,071,000 of right to buy receipts have been retained by the local authority in 2012/13, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame.
9	The £1,500,000 in respect of the land transfer for the market housing at Seymour Court (Jane's Court) will now take place early in 2013/14. A receipt of £12,500 was realised in respect of a small land transaction in Scotsdowne Road in 2012/13. Capital receipts such as these can't be budgeted for as they are dependent upon specific in-year requests, and the resulting decisions made under delegated powers.
10	Income was due from leaseholders in 2012/13 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£25,000) and was also received from private residents in relation to contributions towards, or repayments of, private sector housing repair grants (£95,000).
11	Due to slippage in the housing capital plan in 2012/13, the use of revenue funding for capital purposes was significantly less than anticipated. A request to increase the use of revenue funding of capital expenditure in 2013/14 by the £3,085,000 not utilised in 2012/13, will ensure that there is sufficient funding to meet the rephased expenditure requested above.

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Cambridge City Council

To: Leader of the Council - Tim Bick
Report by: Head of Specialist Services
Relevant scrutiny committee: Strategy and Resources Scrutiny Committee 8 July 2013
Wards affected: All Wards
EqIA Undertaken: Yes

CCTV Operations - Shared Service Proposal

Key Decision

1. Executive summary

- 1.1 Cambridge City Council (CCC) and Huntingdonshire District Council (HDC) have both operated CCTV services for many years as part of their respective Community Safety initiatives. Following agreement by the leaders of both Councils to investigate the potential for sharing CCTV services, an officer group has considered a range of options for working collaboratively.
- 1.2 A single shared service can operationally and technically deliver effective CCTV services for both authorities. Both authorities have the capacity to expand to deliver a shared service operation from their respective control centres.
- 1.3 Initial evaluation has indicated a business case that offers annual savings in combined operating costs from the merger of the two existing teams into a single operation, under a single management structure. A shared model of operation can also offer a resilient service that can be extended beyond both councils. A shared service could deliver annual on-going savings of £200K per year. It is proposed to share these savings equally between both authorities.
- 1.4 There are potential benefits to both authorities for further cost reductions and income generation from the development of a single, larger shared service, and from establishing the service within the

technical platform of the Cambridgeshire Public Services Network (CPSN).

- 1.5 One authority will need to first transfer all staff to the other. The 'host' authority will be the employer and following the transfer will restructure the CCTV service to establish a single team and operating base. While every effort will be made to minimise the need for redundancies, the total number of posts required is likely to reduce as a result of establishing a shared service.
- 1.6 The scale of the transfer is likely to involve only seven CCC staff and a similar number from HDC, such that some existing residual overhead costs, such as office accommodation and IT infrastructure costs will have to be taken into account in assessing the joint business case.
- 1.7 There are revenue implications for both authorities of transmitting CCTV data and images through the CPSN. Transmission costs still need to be confirmed, but current estimates indicate that these additional running costs do not impact significantly on the operating costs of a shared service.
- 1.8 Set up costs will be required on the part of HDC to connect its CCTV to the CPSN. Cambridge City Council has to join the CPSN, and also connect CCTV to the CPSN. Other modifications to control rooms and communications systems will also be necessary to ensure continuity of services.
- 1.9 There are risks to the effectiveness of a shared service that will need to be managed. These are associated with:
 - The loss of local knowledge and experience in each district;
 - The resilience of the IT communications from a larger, more dispersed network of cameras and systems;
 - Accepting new governance arrangements;
 - Identifying and clarifying all the operating and set-up costs.
- 1.10 Broadly similar levels of savings can be achieved whether the shared service is hosted by CCC or by HDC. There are clear benefits from locating the shared service at Huntingdon based on resilience and the working conditions of the control room. There will also be an additional advantage for Cambridge City Council in that the change will release

some additional senior management capacity.

- 1.11 It may be possible to deliver this change by 1 April 2014, subject to the issues in this report relating to the IT infrastructure, cost sharing, accommodation and support services, governance and TUPE arrangements being resolved, and subject to members' decisions and respective consultation processes of both authorities
- 1.12 A communications plan will be required to ensure that the changes are managed sensitively and co-ordinated between the two authorities.

2. Recommendations

- 2.1. To seek in-principle agreement for establishing a joint CCTV service with Huntingdonshire District Council.
- 2.2. To delegate authority to the Director of Environment, in consultation with the Leader of the Council to establish a shared service, based in Huntingdon, on the basis of a detailed business case.

3. Background

- 3.1 The CCTV service has been operating in Cambridge for 16 years. It provides CCTV monitoring and recording across the city's public space cameras and to internal and commercial customers, and operates a lone worker and customer help line outside of normal working hours in relation to emergency housing repairs and other incidents.
- 3.2 Successive reviews of Cambridge City Council's CCTV operations in 2008 and 2011 have confirmed the contribution of the local authority's provision of CCTV services to the overall community approach to reducing crime in Cambridge, and its contribution to community safety, particularly at night. Both reviews also resulted in restructured services that produced significant reductions in operating costs to the Council.
- 3.3 The stated objectives of the existing CCTV services in Cambridge are centred on creating confidence within the public perception of a safe

environment by:

- Protecting areas and premises used by the public.
- Deterring and detecting crime.
- Assisting in the identification of offenders leading to their arrest and successful prosecution.
- Reducing anti-social behaviour and aggressive begging.
- Reducing the fear of crime.
- Encouraging better use of city facilities and attractions.
- Maintaining and enhancing the commercial viability of the city and encouraging continued investment.
- Encouraging the public to act responsibly in their own and in the wider community to assist in the fight against crime and anti-social behaviour.
- Cooperating with stakeholders and other CCTV providers on a local, regional and national level to share best practice.

3.4 Huntingdonshire District Council established an extensive CCTV monitoring service and a purpose-built control centre a number of years ago as part of their Community Safety initiatives. However the CCTV budget was reduced in 2012/13 as part of the contribution to budget savings, and subsequently Town Council partners agreed to provide funding to maintain a 24/7 service.

3.5 Fresh discussions began in October 2012, following an agreement by the leaders of the two councils to investigate the possibility of working more collaboratively. This report recognises the benefits and risks of a jointly managed CCTV service between Cambridge City Council and Huntingdonshire District Council and identifies areas for further detailed work.

4. **The Case for a Shared Service**

4.1 The current CCTV structure in Cambridge is lean and effective, and has an excellent reputation at both local and national level. While successive restructures of CCTV services in 2008 and 2011 have considerably reduced the costs of running the service, and integrated the Out of Hours service into its operations, further savings opportunities are limited.

4.2 Bringing together two neighbouring operations of a similar scale offers clear advantages to both CCC and HDC, and particularly in terms of:

- Greater resilience for managing combined CCTV and Out of Hours services
- Shared knowledge and experience from staff in both authorities
- Lower operating costs, particularly in the areas of staffing, communication and equipment costs;
- Increased opportunities to market and compete for additional business, in relation to external customers of CCTV and Out of Hours services.
- Increased opportunities to share a more efficient technical platform for exchanging data and images between the two authorities and with other agencies such as the Police and retail organisations;

4.3 Staffing costs.

4.3.1 A joint group of officers have considered the potential for savings from implementing a shared service arrangement. It is possible to deliver significant reductions in revenue costs by operating and managing both services from a single control room, either in Cambridge or in Huntingdon, under a single management structure. Savings will result from combining operations, through reductions in the overall number of staff from the number required at present to operate in each authority.

4.3.2 The operation of a joint control room will necessitate one authority operating the service. Staff would transfer to the 'host' employer and would retain the terms and conditions of their original employer. A restructure would then be required to determine the structure of the shared service.

4.3.3 The staffing costs have been modelled to allow for different outcomes and assumptions about the composition of the shared service team and about the 'host' employer. The business case assumes that the combined service will consist of a mix of staff drawn from both authorities, and assumes a median level of staffing costs.

4.4 Other operating costs

4.4.1 Savings are also expected to accrue from a combined operation through reductions in overall communications costs, and the level of provision for repairs and renewals of equipment, on the assumption of a ten year cycle of renewals for most equipment. Further detailed work is continuing to identify the level of savings that may be

achievable.

4.4.2 Some support costs (recharges) may need to be charged to the shared service where they are inextricably linked with the service, for example in relation to continuing support from senior management, back office processing of expenditure and accountancy to manage cost sharing arrangements. Further work is required to quantify these costs.

4.4.3 Transmission Costs. The transmission of the images and data between Cambridge and Huntingdon is required to operate a joint CCTV service. This is an additional cost associated with operating a shared service. More detailed work is being undertaken to determine the costs of transmitting images between the two councils, and for supporting existing communications systems such as the retail radio network in both authorities.

4.4.4 The Cambridgeshire Public Service Network (CPSN) is considered to provide the best solution but work is still continuing to establish the actual costs and timescales for achieving this. The CPSN is the favoured option because HDC is currently being connected to it as an authority and CCC will follow suit later this year.

4.5 Set-up costs

4.5.1 Both authorities will incur costs associated with the establishment of a shared network for communicating and transmitting CCTV images and data between authorities, and with configuring the CCTV control room to operate as a shared service.

4.5.2 Costs associated with staff relocation and potential redundancies will also be likely in establishing a single operational base, and the business case is based on an assumption of an average level of costs for these purposes. However, on current estimates the savings from moving to a shared service will be sufficient to pay for the set-up costs by the end of the first year of operation.

4.6 Transfer of Undertakings (TUPE)

4.6.1 A shared service will require the TUPE transfer of staff from one authority to the other. Once this has been completed an exercise will be required to restructure the existing services to provide an effective operating structure that fits within the proposed business case.. This

will be subject to consultation with staff. A selection is likely to be necessary which may result in staff being at risk of redundancy. As the employer the host authority will take the lead in managing the restructure process in liaison with the partner authority. The cost of any redundancies will vary depending on which members of staff are affected, and agreement will need to be reached about the basis for apportioning such costs. For modelling purposes the business case also assumes a median position for these costs.

4.7 The business case is summarised in Appendix 1.

5 Out of Hours Services

5.1 Cambridge City Council manages an Out of Hours service for housing and emergency planning. This service handles an average of 1500 calls per month (relating mainly to emergency housing repairs) and provision will need to be made in the new structure to continue this service unless a more cost effective alternative is available.

5.2 HDC initially manage the out of hours calls for emergency planning until the duty emergency planning officer is able to do so, but this is a small volume of calls in comparison with Cambridge.

5.3 It is proposed that a new shared service would continue to manage Out of Hours calls for both councils, and would be in a stronger position as a more resilient shared service, having the capacity to extend the business and generate additional income from external customers.

6 Governance

6.1 A joint service that already exists between both councils is the Home Improvement Agency (HIA) and it is considered that the governance arrangements for that service would be a broadly suitable model on which to base future joint CCTV services.

6.2 In respect of the HIA there are three councils governed by a Management Board consisting of a senior officer from all the partners. This Board considers a number of key areas as follows:-

- Approval of an annual business plan

- An operations protocol
- Strategic matters relating to the on going and longer term development of the Agency

6.3. The officer management board report back to the respective decision-making processes at each of the three councils. In the case of CCC this means that decisions are made by the Executive Councillor following committee scrutiny.

7 The Choice between Huntingdon and Cambridge

7.1 It is clear that a shared service will deliver savings for both authorities and to do this it is necessary to locate the control room in one location. There is a small marginal saving of about 10 to 15K per annum if the chosen location is Huntingdon. There are, however, four other reasons to choose Huntingdon related to resilience, working conditions, senior management capacity and potential for letting current office space.

7.1.1 On the matter of resilience there is a risk in relation to the siting of the control room in the basement of the Guildhall. In August 2012 serious flash floods occurred in Cambridge city centre and this resulted in the flooding of the basement with the service being temporarily inoperative. Measures have been taken to minimise this risk but the location of the Huntingdon control room is not subject to the same risks.

7.1.2 Whilst the control room at the Guildhall meets all relevant workplace requirements it is nevertheless a basement environment. The control room at Huntingdon is a modern purpose built facility that provides a better working environment, including better disabled access.

7.1.3 Officers have reviewed the management capacity needed to support a shared CCTV service at HDC and concluded that there is sufficient scope to do this. It is therefore proposed to transfer the day to day operational arrangements to HDC and this will reduce the amount of senior manager time required within Cambridge City Council which in turn will provide other opportunities for the authority.

7.1.4 A further consideration is the potential for letting part of the Cambridge CCTV office space to generate an income. The facility is close to other lettings and has a separate entrance. A review of office

accommodation is currently underway and further work can be done to investigate this opportunity. Letting part of the basement would be complementary to letting other parts of the ground floor of the Guildhall.

7.1.5 It is therefore proposed that the service is transferred to HDC.

8 **Key Principles**

- 8.1 All staff will transfer to the host authority under TUPE on their existing terms and conditions, after which a consultation and restructure exercise will be carried out to staff and organise the new shared service.
- 8.2 The staffing structure will be consistent with delivering an effective service that is resilient to the demands of a wider and more complex network than each authority currently provides on its own.
- 8.3 A shared service will observe a high ethical standard and will safeguard and maintain each authority's commitment to its statutory responsibilities with regards to data security, data protection and the Regulation of Investigatory Powers Act.
- 8.4 Core equipment and infrastructure (e.g. the control room and its equipment) will be funded and replaced by the shared service.
- 8.5 HDC will provide support services to the shared service at a fair price.
- 8.6 That subject to final negotiation, and the need for an annual adjustment to take account of residual recharges, the basis for apportioning the reduced costs of operating a shared service will be 50:50..
- 8.7 Set-up costs and future external income generated by the shared service will be shared equally between CCC and HDC.
- 8.8 CCC and HDC will retain ownership and responsibility for the assets and equipment deployed in their own districts (i.e. not control room equipment), and will need to retain an annual Repairs and Renewals budget sufficient to replace their own equipment and infrastructure.

- 8.9 Governance arrangements will be implemented that make senior officers accountable for managing the shared service.
- 8.10 Subject to the considerations set out in this report the shared service will commence operation on 1 April 2014.

9 Risk

Key risks for both Councils from establishing a Shared CCTV Service are:

- 9.1 Political reluctance by either authority to relocate its service to the other's base. This risk can be mitigated and managed by establishing robust governance arrangements and by establishing clear operating protocols for staff that address service priorities and standards of practice.
- 9.2 Staff unwillingness to be relocated resulting in loss of experienced operators and local knowledge from the joint service. Comprehensive consultation, communication, training and induction processes can reduce these risks.
- 9.3 The technical infrastructure cannot be maintained effectively and with resilience. Proper consideration of contingency arrangements and back –up systems will need to be integral to the set-up arrangements and costings.
- 9.4 For the authority that transfers its CCTV services, support service and other overhead costs will have to be absorbed by other Council services, to the extent that they cannot be reduced in the short term, once CCTV has transferred. These costs, including the provision of a Repairs and Renewals budget, will need to be properly quantified and built in to future budget plans.

10 Next Steps

- 10.1 The next step will be to conclude negotiations on the cost sharing between the two authorities, especially in relation to residual recharges so that a full business case can be presented formally to both councils. This will then allow the proposal to be progressed through the normal decision making process at both councils.

- 10.2 Staff and union representatives will be informed of the proposed merger of the services and TUPE transfer and provided with a timetable for the work.
- 10.3 There will be full consultation arrangements established with staff, Trade Unions, the Chair and Executive Councillor for the Strategy and Resources Scrutiny Committee, Opposition Spokespersons and other key stakeholders.

11 Implications

(a) Financial Implications

Implementing the recommendations in this report will deliver sustainable reductions in the cost of providing CCTV services in Cambridge. Agreement will be required on the particular arrangements for dealing with support service and other on-costs once CCTV has transferred, as these costs will either have to be absorbed by other Council services, shared between each authority, or reduced. There are additional revenue implications for both authorities of transmitting CCTV data and images through the Cambridgeshire Public Service Network (CPSN). Capital costs will be incurred in new shared services and the necessary funding sources will need to be identified and factored into the Business Case dependent on the asset to be replaced.

(b) Staffing Implications

The recommendations set out in this report have implications for staffing structures that will be subject to detailed consultation with the Unions and the staff affected. While every effort will be made to minimise the need for redundancies, they may be necessary in both authorities as a result of establishing a shared service.

(c) Equal Opportunities Implications

An Equalities Impact Assessment has been conducted on this strategy.

(d) Environmental Implications

In terms of the climate change impact of these proposals, there may be some limited reductions in electricity consumption from operating from a single shared location. There may conversely be environmental implications from additional fuel costs by staff travelling to their new base.

(e) **Consultation**

There will need to be consultation with a range of key stakeholders, including staff and Trade Unions the Executive lead, Opposition Spokespersons, members of the Directorate, service representatives in relation to Community Safety and existing CCTV services. Officers responsible for CCTV within Cambridgeshire Police will also be consulted. Views will need to be sought from commercial and retail interests in Cambridge and Cambridgeshire, including those interests specifically concerned with anti-crime initiatives.

(f) **Community Safety**

This policy is intended to have a neutral impact on Community Safety.

12. **Background papers**

13. **Appendices**

Appendix 1: Latest summary of financial information

Appendix 2: Supporting notes to financial summary

14. **Inspection of papers**

If you have queries on the report please contact:

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APPENDIX 2 CCTV Cost Summary - Notes

1 Employee Costs

The employee costs represent a median position and is the average of the highest and lowest cost of the staff currently employed by the CCTV services. It is assumed that the shared service will contain a mix of staff currently employed by both authorities.

2 Premises Costs

Premises costs includes Buildings Maintenance/Electricity/Cleaning Materials & Equipment.

3 Supplies & Services

Transmission costs (new cost) - included in Supplies & Services est £16,850 per annum

Included in Supplies & Services: Purchase of Tools/Equipment; Communications; Printing/Stationery/Office Supplies/Postage/Delivery charges; Subscriptions; Telephone Costs; Training; IT Supplies & Services; Provisions/Refreshments/Subsistence; Other Supplies & Services.

4 Recharges

The total for recharges is the current cost of both Cambridge & Huntingdon and assumes that 100% of the current cost would be retained.

An exercise needs to be carried out to determine the overhead costs directly attributable to the CCTV service in order to confirm the true service cost , and to identify the residual costs that will need to be absorbed by each authority)

In the long term, it may be possible to reduce the overhead costs if the current control room space(s) can be let for external rental income.

5 Capital, Assets & R & R Funds

Each authority will retain ownership and responsibility for their own assets (excluding control room equipment) and retain a repairs & renewals budget sufficient to replace these assets. Procurement will be a shared service responsibility.

The shared service capital financing represents the shared cost of the two control rooms only.

6 Set up costs

Some of the set up costs have now been ascertained and are shown on the summary. Costs still to be identified for:

1. Bollard Control - via CPSN
2. Help point/voice control camera - via CPSN
3. Medium router
4. Retail radio link - via CPSN

7 Net cost of service increase(saving) - assumes pay back of all set up costs in year one.



To: The Leader and Executive Councillor for Strategy:
Councillor Tim Bick

Report by: Head of Corporate Strategy

Relevant scrutiny committee: Strategy & Resources
8/7/2013
Scrutiny
Committee

Wards affected: All Wards

GREATER CAMBRIDGE CITY DEAL NEGOTIATION UPDATE

Not a Key Decision

1. Executive summary

The City Council was invited to submit, with local partners, an expression of interest in a City Deal in the Autumn of 2012. An expression of interest was submitted in January, and on that basis the Council and partners were invited in February to develop a proposal for negotiation with Ministers this summer.

This report describes the proposal that has been evolving, and have been submitted to Government in the form of a “Negotiation Document”. The essence of the proposal is for joint local investment in infrastructure to support sustainable economic growth in the Greater Cambridge area, underpinned by an agreement with Government that a proportion of the future tax take arising from such investment and growth will be retained locally.

And that the strategic vision for the area will be brought together and jointly decided by local partners in a City Deal Board. This would imply the pooling of some of the City Council’s current powers and anticipated funding.

2. Recommendations

The Executive Councillor is recommended:

- i. To continue negotiations for a City Deal with local partners and with central Government.

3. Background

3.1 The December 2012 Strategy & Resources Scrutiny Committee report on this issue set out some of the background to the City Deal, and this report updates on the progress made since then. As mentioned in the December report on this issue, City Deals are agreements between government and a city region that devolve greater powers and funding to the local area to promote sustainable economic growth. The first wave of City Deals were negotiated during 2012 with the Core Cities (the eight largest cities outside London). The eight existing Deals vary in their nature, but all include some element of devolution from Whitehall to the city region, and some strengthening of local governance arrangements relating to economic powers within the city region.

3.2 Following the success of this first wave, the Government announced in Autumn 2012 that they were inviting a second wave of 20 city regions to compete for a City Deal for their areas. These 20 comprise the next 14 largest cities outside of London and their wider areas and the 6 cities with the highest population growth during 2001 to 2010. It is on this latter category that the Greater Cambridge area (the combined area of Cambridge City Council and South Cambridgeshire District Council, which has a combined population of around 280,000) was invited to participate.

3.3 After the agreement to the proposals set out in the December 2012 Report, in January 2013 an Expression of Interest (EoI) was submitted to Government by the five core partners promoting the City Deal (Cambridgeshire County Council, Cambridge City Council, South Cambridgeshire District Council, the Local Enterprise Partnership and the University of Cambridge).

3.4 The expression of interest was well received by Government, and following the assessment of all 20 Expressions of Interest, Greater Cambridge was invited to progress to the next stage, as one of the first groups of the Wave 2 Cities.

3.5 The Expression of Interest made the case for the need for significant additional investment in infrastructure in the Greater Cambridge area to unlock suppressed demand, retain the quality of life that makes it an attractive place for businesses and high-skilled individuals to locate, and to deliver its full economic growth potential. It also made the point that growth in Greater Cambridge is largely net growth to the UK as a whole as Cambridge competes on the world stage with cities such as Boston and San Francisco, not with Bradford and Southampton.

3.6 The unique position of greater Cambridge is also recognised, as is the global brand value of Cambridge for the UK as a whole. The status of Cambridge University, recognised as one of the leading universities in the world, is a key part of this brand. So too is the remarkably diverse knowledge economy cluster in and around Cambridge which is of course strongly linked to the quality of the research base in our higher education institutions. There is strength in depth in sectors such as ICT, biomedical and biotech, advanced manufacturing, cleantech and creative industries, with strong links to each other and to Cambridge University and to Anglia Ruskin University. The successful translation of research ideas into commercial application has been what has underpinned the “Cambridge Phenomenon” over the past 50 years, and the EoI argues that further success can be delivered, if the city can grow sustainably and well, whilst retaining the strong networks between academia, business and the wider community that have served it well until now.

3.7 There has been substantial research into the barriers to growth in Greater Cambridge over recent years, from research work by Segal Quince Wicksteed (SQW), infrastructure assessments from Cambridgeshire Horizons, and detailed analysis to support the emerging local plans for the City and South Cambridgeshire and the transport strategy covering the same geography. The City Deal team has reviewed that information, updated where possible, and developed a strong sense of the key barriers that need to be overcome, and the opportunities that could be realised.

3.8 In particular this analysis shows that there is a significant existing infrastructure gap, and that the rate of growth over recent years has seen increasing problems through symptoms such as:

- Slow and congested roads, limited public transport provision and poor connectivity between housing areas, businesses and the city centre which is constraining existing business growth and productivity.
- Housing affordability problems, where costs of buying a home have risen significantly faster (30%) than workplace wages (9.5%), with the average house price now costing 9 times the average salary. This is further exacerbated in the lower quartile of workers where this ratio increases to 12 times, and similar problems of affordability exist in the private rental sector too.
- The problems of transport and housing constrain the flexibility of the labour market and therefore hinder commercial growth within the area – without the right people in the locality then businesses will move elsewhere
- Existing local government funding sources, including CIL/S.106, business rates etc are insufficient to meet all the infrastructure needs identified.

3.9 The issues are well-understood at the high level. The work we are now undertaking seeks to quantify the specific issues we believe we can focus on if the right City Deal can be negotiated, and what funding sources are needed to deliver particular proposals.

3.10 Following on from the positive reaction to the Expression of Interest, the joint team working on the City Deal from the three local authorities, the Local Enterprise Partnership and the University of Cambridge have developed the proposition in readiness for negotiations with Government over the summer. The key event will be a meeting between the City Deal partners and a cross-departmental Ministerial Group, chaired by the Deputy Prime Minister. This is scheduled for 4 July. There has already been a “readiness check” meeting with Lord Shipley (attended by Mark Lloyd, Chief Executive of Cambridgeshire County Council and Councillor Tim Bick on behalf of the wider team), and a “dry run” session with Cities Minister Greg Clark on 19 June.

3.11 The narrative of our outline proposition builds on the EOI, and points out that whilst Cambridge has traditionally succeeded in bringing many of the best brains in the world to come and live, study and work here, this is not guaranteed to remain the case. It also makes the case that many of our most important businesses are, because they depend on intellectual more than physical capital, extremely footloose, both nationally and internationally and so the right frameworks need to be in place to encourage them to stay and grow here, and to attract new businesses to the area.

3.12 The city-region needs to grow if it is to be able to support further business development and help the wider UK economic recover, but it needs to grow in a way that protects the quality of life for existing and new residents and business. In particular that requires a means of delivering enhanced transport infrastructure to allow people to move quickly and reliably from where they live to where they work, and for the major employment hubs to be connected to each other far more effectively than they are now. And the evidence we have put together shows that the funding for that infrastructure cannot be met from existing funding sources available locally under the current systems, even where those existing funding sources are combined more effectively under a City Deal Board where the existing authorities pool some of their current funding and powers.

3.13 The proposition we are working up to negotiate with Government therefore builds itself around a series of “offers” and “asks”.

The key “asks” of Government are that:

- a) the Greater Cambridge area is allowed to retain a share of the total tax dividends for a 30 year period that flow from the economic growth that we expect to generate, in order to cover the cost of investments we agree to put in place to improve infrastructure and support the plans for housing growth across the city deal area. Depending on the negotiation, and the strength of economic performance, this “Gain Share” mechanism could yield significant additional investment potential, and;
- b) that the Greater Cambridge area is afforded greater flexibility over borrowing, removing the Housing Debt Cap and given more ability to use future revenue streams to cover debt costs, and gains greater certainty about the longevity of key incentive-based revenue streams like the New Homes Bonus, and of related Government funding streams around transport and housing;

The key “offers” from Greater Cambridge are:

- a) to unify governance arrangements for economic growth across the City Deal area, so that the County, City and District will bring together powers on transport and strategic planning to allow for a single unified strategic plan for growth for the Greater Cambridge area.
- b) to commit to a Revolving Infrastructure Fund, expected to grow over time to around £1bn, supported by pooling a portion of the revenue streams currently held separately within each local authority potentially including a proportion of business rates, Community Infrastructure Levy, New Homes Bonus, Council Tax.
- c) to align investment from the University and LEP so that it supports the core growth aims set out in the City Deal.

3.14 If the meetings with Ministers are successful, we expect the detail of the deal to be negotiated over the summer and autumn.

3.15 It is anticipated that the bulk of this fund will be invested in transport infrastructure. This is vital to unlock the growth potential of the local economy by improving connectivity, linking more effectively the main centres where people live and work and supporting the delivery of new and more affordable housing, all of which will increase the pool of labour available to businesses in the area and improve the efficiency and reliability of business operations.

3.16 The local City Deal team is developing an indicative package of schemes that will deliver these objectives. The package is expected to be grouped into four broad categories:

- Facilitating major new developments - this would focus on infrastructure that is required to bring forward the planned new areas of housing in the draft Local Plans such as at Cambourne/Bourne and Waterbeach, and supporting the continuing development of Northstowe;

- Facilitating key labour markets - this package would improve links between substantial areas of existing population and Cambridge to increase the pool of available labour, especially along the A10 (south) and A1307 corridors to improve links to towns such as Royston and Haverhill;

- Enhancing capacity in and around Cambridge - this package would focus on the movement, particularly on key radial routes within Cambridge to ensure there is good connectivity within the city; and

- Enhancing orbital capacity - this package would aim to improve connectivity around the city to ensure efficient movement between key areas of population and key areas of employment without having to traverse the city centre. This will also improve links to the Busway, the new Science Park station, and to Addenbrookes.

This package is currently being costed and it is likely that for full delivery it will require the bulk of the potential fund that is generated by City Deal. The focus will be on early delivery, particularly in the first 10 years to accelerate growth.

3.17 In the run up to the Ministerial meeting on 4 July these offers and asks will have been refined, working closely with our local partners. There is an existing City Deal Steering Group overseeing this work, comprising the Leaders of the three local authorities, the LEP Chairman and the ProVice Chancellor of the University of Cambridge, and a joint officer team overseen by the Chief Executives that is pulling together the material to support our proposal.

3.18 For Cambridge City Council the “offer” set out above will likely involve pooling a proportion of revenue streams we currently hold, potentially including a proportion of New Homes Bonus, business rates, and Community Infrastructure Levy receipts and possibly a proportion of our council tax income. For all of these revenue streams there will need to be a negotiation as to the percentage that could be pooled and that which needs to be retained within the individual Councils for core functions. It would also involve our pooling powers, with the most significant being the strategic plan making powers. Similarly, our partners in the County Council and South Cambridgeshire District Council will be considering pooling revenue streams into the City Deal arrangements, and pooling the strategic element of those Councils’ local plan making powers and transport powers.

3.19 The precise form of this governance arrangement outlined at paragraph 3.13 above is yet to be determined, but we are exploring with Government whether a variant on the “Combined Authority” model may be the most appropriate approach.

3.20 Pending the outcome of the negotiations with Government, any emerging deal will be brought back to full Council for a decision before an implementation plan is agreed with Government. On the timeframes above this is anticipated over the Summer/Autumn of 2013. We will be able to withdraw from the process should full Council not support the proposed Deal.

3.21 It should be noted that the process of negotiating and agreeing a good City Deal for Greater Cambridge should benefit areas beyond the City/South Cambridgeshire geography, such as the rest of Cambridgeshire and the wider Local Enterprise Partnership area. Additional resources secured should increase the level of economic growth, jobs and prosperity in the City Deal geography, which would benefit residents and businesses across the County and wider LEP area.

4. Implications

(a) Financial Implications

Resources (primarily officer time, with a contribution to the cost of consultants to help with developing the financial aspects of our proposal) are being deployed from across the local partners to work up the City Deal proposal to a good standard.

If the City Deal is concluded there will be significant positive implications for the financial resources available to the area overall, and implications for the use of some anticipated City Council funding which would under the terms of the deal be invested according to the priorities agreed by the City Deal Board.

(b) Staffing Implications

If the City Deal is concluded, further consideration will need to be given to how the human resources could be brought together to make the most of any new shared governance arrangements.

(c) Equal Opportunities Implications

An Equalities Impact Assessment has been completed – officers have not identified any significant adverse impacts of the City Deal proposals at this stage – the impacts on connectivity and housing affordability should be beneficial on the less well-connected and vulnerable groups.

(d) Environmental Implications

There are no significant environmental implications of negotiating a City Deal.

If the Deal is concluded successfully, there would be implications from the infrastructure programme which would need to be assessed – the programme contains a range of mainly transport schemes which in the round aim to promote a sustainable transport solution to economic growth, but would need to be assessed more fully.

(e) Procurement

No procurement proposed in the recommendations in this report. The local partners have jointly procured consultants to help develop the details of the financial proposal to Government (procurement led and managed by South Cambridgeshire District Council).

(f) Consultation and communication

There has been no direct public consultation on the proposal to date, as it has been an evolving negotiation between the local partners and central Government, with no firm detailed proposals to consult on.

The LEP and University of Cambridge have been involved in the development of the proposals, and a number of leading business people have been consulted in broad terms (via a letter from the LEP chair) on their support for the basic analysis of the key economic challenge facing the area. This received strong support.

(g) Community Safety

No implications at this stage.

5. Background papers

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

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: The Leader and Executive Councillor for Strategy:
Councillor Tim Bick

Report by: Simon Payne, Director of Environment

Relevant scrutiny committee: Strategy & Resources
8/7/2013
Scrutiny
Committee

Wards affected: All Wards

DISTRICT HEATING SCHEME - APPOINTMENT OF CITY COUNCIL REPRESENTATIVES ON SPONSORS BOARD & PROJECT UPDATE Key Decision

1. Executive summary

- 1.1 The City Council is continuing to work with the University of Cambridge to explore the potential for a city centre district heating scheme. The Council is about to sign a memorandum of understanding with the University, and establish a sponsors board.
- 1.2 The Council will have three members on the board, but only one vote. This report seeks agreement to appoint those members, and on how the single vote will be operated.
- 1.3 This report also provides an update on progress with the project and the next steps in its development.

2. Recommendations

The Executive Councillor is recommended to:

- i) Approve the draft Memorandum of Understanding at Appendix A
- ii) nominate two members from the largest Group on the Council (including at least one Executive Councillor), and to ask the Leader of the largest opposition Group to nominate one member, to represent the City Council on the Cambridge District Heating Scheme Sponsors Board.
- iii) agree that the City Council's vote in the District Heating Scheme Sponsors Board shall be used by the Executive Councillor, taking account of the views of the City Council's representatives on the Board.

- iv) Note the update on progress with the project and proposed way forward.
- v) Delegate authority to the Director for Environment to submit a bid for external funding to support development of the proposal from the Department for Energy & Climate Change.

3. Background

- 3.1 The City Council has been exploring the potential for district heating in the city centre of Cambridge for a number of years, informed by the Cambridge Renewables Infrastructure Study and the Decarbonising Cambridge report. These studies assessed a variety of low carbon and renewable energy technologies and their suitability for use in Cambridge and suggested that district heating was likely to be one of the most viable large scale methods for reducing the city's carbon footprint through increasing the use of low carbon and/or renewable energy.
- 3.2 A district heating scheme would involve building a heat centre (effectively a small power station) and connecting that through new, heavily insulated underground pipes to major heat using buildings in the city centre, thereby generating the heat those buildings need more efficiently than the current situation of each building having its own boiler.
- 3.3 In the first instance it is assumed the heat centre would use natural gas. In due course it should be possible to convert to running on a more renewable fuel source (such as biomass or biogas) depending on constraints such as cost, technical compatibility, air quality issues and supply of raw materials.
- 3.4 Electricity would also be generated through the Combined Heat and Power process. Both the heat and electricity generated would be sold to the customers connected to the network, thereby generating a financial return to cover the capital costs (currently estimated by the consultants to be around £22m, but subject to change depending on site location/pipe costs etc.).
- 3.5 It is proposed that a joint venture (Energy Supply Company or similar) would be established to procure the design, build and operate the scheme.
- 3.6 Previous studies by consultants Aecom and Ernst & Young have suggested that, in their opinion, such a scheme would be viable for public sector partners. The most recent consultant's report (by Verco) confirms that the high capital costs of installing such a scheme in the

historic city centre contribute to an estimated internal rate of return (irr) of around 6%, which would not be sufficient to attract private sector investment, but could still be considered viable for public sector partners.

This rate of return remains an estimate which is subject to a number of variables and sensitivities, not least around the location of the energy centre.

- 3.7 A part of the City Council's Mill Road Depot has been identified as one possible location for the Energy Centre. There will need to be a process to determine whether the Council wishes to use its land for this purpose, and if so what value would be put on that land as part of the Council's contribution to the cost of the scheme. Given the site's location within the conservation area, there would be air quality issues if it were proposed to switch to biomass or biogas in due course that may entail further costs/constraints.
- 3.8 The development of the project has been reported to this scrutiny committee previously in January and October 2012. Through the development of the project, an informal partnership has developed with the University of Cambridge, which has indicated a willingness to work jointly with the City Council to bring the project forward. The University would be a significant user of the heat and power produced by the scheme, along with (to a lesser degree) a number of the University colleges, and the City Council itself.
- 3.9 The City Council's budget 2013 allowed for funding of £50,000 for both 2013/14 and 2014/15 to support further development work, including the employment of a project manager to drive the project forward. The University has indicated a willingness to contribute the same amount to the development costs, subject to agreeing and signing a Memorandum of Understanding to formalise the partnership as we move into a more advanced stage of the project.
- 3.10 Legal teams from the University and City Council have therefore worked on and developed the draft Memorandum of Understanding (MoU) attached at Appendix A. This is based on the City Council's standard template, and sets out the purpose of the partnership and how it will operate.

It is recommended that the Executive Councillor agree the draft Memorandum of Understanding.

- 3.11 As part of the MoU, a Sponsors Board is proposed, to provide overall strategic oversight and direction to the Project. Decisions to commit the Council's resources would remain with the Council's normal decision-making processes. The Board is to include three representatives from the City Council. On proportionality lines, it is proposed that this includes two representatives nominated by the Executive Councillor (including at least one Executive Councillor), and one nominated by the Leader of the largest opposition group.
- 3.12 **It is recommended that the Executive Councillor nominate two members from the largest Group on the Council (including at least one Executive Councillor), and ask the Leader of the largest opposition Group to nominate one member, to represent the City Council on the Cambridge District Heating Scheme Sponsors Board**
- 3.13 The Memorandum of Understanding explains that the two partners (the University and the City Council will have one vote each on the Sponsors Board.
- 3.14 To ensure clear and transparent exercise of Executive functions in this partnership, it is **recommended that the Executive Councillor agree that the City Council's vote in the District Heating Scheme Sponsors Board shall be used by the Executive Councillor, taking account of the views of the City Council's representatives on the Board.**

3.15 Update on project

The consultancy Verco has recently been engaged by the Low Carbon Development Initiative to produce a "Development Manual" for the Cambridge District Heating Scheme. It aims to provide clear guidance on how to take the project forward from its current feasibility stage to a live project.

The report was developed through a process that included a workshop with members and officers from the City Council and representatives of the University of Cambridge. Earlier technical and commercial work on the project was also reviewed and revisited. The Verco manual raises a number of technical, legal and financial issues that need to be resolved and proposes an outline project programme and plan of activity required to bring the project forward.

It also sets out the benefits of the scheme:

- Financial (a return on the initial capital outlay)
- Economic (benefits of a large capital investment in the economy),
- Improved security of energy supply,
- carbon reduction,
- reduced Carbon Reduction Commitment liabilities for the University and
- the benefits of establishing a strategic partnership between the two organisations.

It also identified a number of risks:

- energy centre location,
- future plans to extend the network or convert to renewable fuels (and associated costs, benefits & constraints, e.g. air quality),
- potential to add customers such as commercial customers e.g. hotels and retail,
- financial viability,
- “private wires” to transmit the electricity and technical / regulatory issues arising,
- quantity and attribution of carbon reductions - estimated by the consultants to be around 540 tonnes of CO₂ per annum on the City Council estate and 5,800 tonnes per annum on the University estate,
- CRC liability,
- energy costs,
- internal resources & capability in the partner organisations,
- the complex decision making processes,
- project governance,
- procurement,
- budget/cost control,
- construction challenges and disruption,
- resources required for development phase,
- planning and consenting (time and complexity, not least in conservation / air quality area),
- political support,
- public support, and
- availability of capital funding.

Critical tasks in the plan include:

- Operationalise the partnership between the university and council, signing the MoU and establishing project and sponsor boards
- Put in place the required resources, including project management and technical support
- Resolve location of the energy centre and sign up key consumers

- Resolve outstanding legal issues and agree delivery structure and procurement pathway
- Develop business plan and secure investment

The timeline in the manual identifies a number of key milestones at which a decision to continue with the project or halt can be taken by the Sponsors Board. These decisions would be informed by the further technical work described in the document to reduce risks and test feasibility. For instance, if a site for the heat centre could not be found, or if the rate of return did not look so positive once the financial model has been re-run, it might make sense to halt the project.

As mentioned above, the scheme as a whole has been assessed by consultants to be viable at this stage, but the business case for the City Council to proceed will need to be re-examined once a number of key uncertainties and sensitivities have been resolved in the next phase of the project.

4. Implications

(a) Financial Implications

The Verco development manual identifies potential development costs of around £350,000. The City Council has currently budgeted for £100,000 of this spread over the two years 2013-15 which will allow the project to be developed up to the procurement phase. The University has indicated that it will match this figure on signature of the MoU.

Consideration is currently being given to other funding sources to support the development of the project. The Director for Environment recently met with officials from the Department for Energy & Climate Change who indicated that they anticipate having a fund nationally to support development of schemes such as this within the next year. If this is confirmed in the Spending Review, civil servants have indicated that we would have a reasonable chance of bidding for a further funding for the development phase up to cover the consultants' anticipated costs.

The consultants emphasised that the costs on a project like this are subject to significant fluctuation – for the City Council, the procurement of external expertise on procurement, legal, and financial matters would be key elements to ensure that the joint venture was established, and the business model set up in a way that optimised the financial return and minimised the risks to the Council.

If the City Council proceeds to implementation it would need to borrow a significant sum to contribute to the capital costs of building the scheme. If the City Council were an equal partner in the venture, on current estimates this would mean borrowing around £11m.

Depending on the business model agreed nearer the time, the scheme is expected to generate a financial return to the Council either by way of reduced energy bills or as a share of the profits generated by selling heat and power to the scheme's customers.

The extent of this return is subject to a number of the risks set out above, e.g. the ability to secure long term customers for the scheme's heat and power, at prices which are attractive compared to the market but still generate sufficient profit (which in turn is impacted by wholesale fuel costs). There may be various tax or regulatory issues associated with this business, which are identified in the Verco report as needing resolving.

As mentioned above, if the Council's land at Mill Road were to be used as the location of the Energy Centre, an appropriate value for this use would need to be determined and taken into account as part of the City Council's contribution to the overall cost of the scheme.

(b) Staffing Implications

The project has currently consumed a proportion of the time of a number of staff, including the Director of Environment and Head of Corporate Strategy. In order to drive the project forward, a project manager will need to be employed by one or other of the partners, accountable ultimately to the Sponsors' Board. An interim project manager may be recruited to maintain momentum while a more permanent resource is recruited. The project manager would need to develop a full implementation plan, with identified resources allocated to carrying out each essential task in the plan (e.g. identifying where external expert resource would need to be procured).

Other staff time would need to be committed, from legal, financial, procurement, planning and facilities services through the development phase.

(c) Equal Opportunities Implications

An EqIA has been completed. Officers have not identified any specific adverse/differential impacts arising from this scheme at this stage.

(d) **Environmental Implications**

This scheme will have a high positive impact on the environment through reductions in the city's carbon footprint (primarily on the University's estate). It is currently estimated that the City Council buildings that are proposed to be connected to the network (including Parkside Pools, Guildhall, Mandela House, Corn Exchange would see a 14% reduction in their carbon footprint, i.e. 540 tonnes of CO₂ per annum, if using natural gas in the District Heating Scheme.

It is recommended that further work is done to assess this scheme more rigorously in terms of carbon reduction, for example to identify the cost per tonne of carbon reduction or the net present value. This should help make an assessment of how this scheme compares to other potential methods for reducing carbon in the city.

(e) **Procurement**

This project will present significant and complex procurement challenges. It is highly likely that the partnership will need to procure external expert procurement advice, not least with regard to the differing obligations each faces under EU regulations.

(f) **Consultation and communication**

As the project is still in a feasibility testing phase, there has been no public consultation to date. There has been consultation with potential users such as the colleges.

The Verco development manual includes advice on communications, and emphasises the importance of explaining the purpose and benefits of the scheme to residents and stakeholders in the run-up to and during an implementation phase, not least given the potential disruption to the city centre road network while the pipe network is being installed.

(g) **Community Safety**

No immediate community safety implications identified to date.

5. Background papers

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

Verco Cambridge City District Heating Development Manual

6. Appendices

Appendix A Draft Memorandum of Understanding

7. Inspection of papers

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

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DATED

MEMORANDUM OF UNDERSTANDING

between

CAMBRIDGE CITY COUNCIL

and

**THE CHANCELLOR, MASTERS AND SCHOLARS OF THE UNIVERSITY OF
CAMBRIDGE**

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THIS AGREEMENT is dated [DATE]

PARTIES

- (1) The parties to this memorandum of understanding **MoU** are:
- (2) Cambridge City Council (the Council) of The Guildhall, Market Square, Cambridge ;
and
- (3) The Chancellor, Masters and Scholars of the University of Cambridge (the University) of The Old Schools, Trinity Lane, Cambridge.

1. BACKGROUND

- 1.1 The parties have agreed to work together on a project to evaluate critically the design and delivery of a district heating scheme for the City of Cambridge as detailed in Annex A to this MoU (“the Project”).
- 1.2 The parties wish to record the basis on which they will collaborate with each other on the Project. This MoU sets out:
 - (a) the key objectives of the Project;
 - (b) the principles of collaboration;
 - (c) the governance structures the parties will put in place; and
 - (d) the respective roles and responsibilities the parties will have during the Project.

2. KEY OBJECTIVES FOR THE PROJECT

- 2.1 The parties shall undertake the Project to achieve the key objectives set out in Annex A to this MoU (**Key Objectives**).
- 2.2 The parties acknowledge that the current position with regard to the Project and the contributions already made (financial and otherwise) are as detailed in the Annex A to this MoU.

3. PRINCIPLES OF COLLABORATION

The parties agree to adopt the following principles when carrying out the Project (**Principles**):

- (a) collaborate and co-operate. Establish and adhere to the governance structure set out in this MoU to ensure that activities are delivered and actions taken as required;

- (b) be accountable. Take on, manage and account to each other for performance of the respective roles and responsibilities set out in this MoU;
- (c) be open. Communicate openly about major concerns, issues or opportunities relating to the Project;
- (d) learn, develop and seek to achieve full potential. Share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;
- (e) adopt a positive outlook. Behave in a positive, proactive manner;
- (f) adhere to statutory requirements and best practice. Comply with applicable laws and standards including EU procurement rules, if applicable, data protection and freedom of information legislation.
- (g) act in a timely manner. Recognise the time-critical nature of the Project and respond accordingly to requests for support;
- (h) manage stakeholders effectively;
- (i) deploy appropriate resources. Ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this MoU. In particular the parties agree to make the contributions detailed in Annex C to this MoU; and
- (j) act in good faith to support achievement of the Key Objectives and compliance with these Principles.

4. PROJECT GOVERNANCE

4.1 Overview

The governance structure defined below provides a structure for the development and delivery the Project.

4.2 Guiding principles

The following guiding principles are agreed. The Project's governance will:

- (a) provide strategic oversight and direction;
- (b) be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;
- (c) align decision-making authority with the criticality of the decisions required;
- (d) be aligned with Project scope [and each Project stage] (and may therefore require changes over time);
- (e) leverage existing organisational, group and user interfaces;

- (f) provide coherent, timely and efficient decision-making; and
- (g) correspond with the key features of the Project governance arrangements set out in this MoU.

4.3 **Sponsors' Board**

- (a) The **Sponsors' Board** provides overall strategic oversight and direction to the Project. This group will consist of:

The Council: No more than three elected members and the names to be determined formally by The City Council.

The University: The Pro-Vice Chancellor Institutional Affairs, the Registry and the Director of Estate Management.

- (b) The Sponsors' Board shall be managed in accordance with the terms of reference set out in Annex B to this MoU and each organisation will have the right to provide a substitute for a board member who is unable to attend a meeting.

4.4 **Project Board**

- (a) The Project Board will provide strategic management at Project and workstream level. It will provide assurance to the Sponsors' Board that the Key Objectives are being met and that the Project is performing within the boundaries set by the Sponsors' Board.
- (b) The Project Board consists of representatives from each of the parties. The Project Board shall have responsibility for the creation and execution of the project plan and deliverables, and therefore it can draw technical, commercial, legal and communications resources as appropriate into the Project Board. The core Project Board members are:

The Council: Director of Environment
Head of Corporate Strategy

The University: Head of Environment and Energy;
Deputy Director of Finance
Energy Manager

Both parties may co-opt by agreement additional resource from time to time to assist with financial, legal, planning and other issues as they arise.

The Project Board shall meet monthly.

4.5 Reporting

Project reporting shall be undertaken at three levels:

- (a) **Project Board:** Minutes and actions will be recorded for each Project Board meeting. Any additional reporting requirement shall be at the discretion of the Project Board.
- (b) **Sponsors' Board:** Reporting shall be [monthly], based on the minutes from the Project Board highlighting: Progress this period; issues being managed; issues requiring help (that is, escalations to the Sponsors' Board) and progress planned next period and/or aligned with the frequency of the Sponsors' Board meetings.
- (c) **Organisational:** the Project Board members shall be responsible for drafting any reports required by their own organisations, and where appropriate these will be reviewed by the Project Board before being issued.

5. ROLES AND RESPONSIBILITIES

- 5.1 The Project Board shall allocate the following roles and responsibilities between the Council and the University to deliver the Project (see Annex C for distribution):

Activity

Project Management

Production of project plan

Completion of appropriate design

Procurement/allocation of site

Production of business case and financial model

Review of land use planning constraints

Maintenance of Risk Register and Risk Management

Review of funding options

Identify appropriate corporate structure

Identify operating model

Review of commercial opportunities

Communications - plan and delivery

- 5.2 For the purpose of the table above, one party shall take the lead role and the other party shall take the assure role:

Lead: the party that has principal responsibility for undertaking the particular task, and that will be authorised to determine how to undertake the task. The Lead must act in compliance with the Objectives and Principles at all times, and consult with the other party in advance if they are identified as having a role to Assure the relevant activity;

Assure: the party that will defer to the Lead on a particular task, but will have the opportunity to review and provide input to the Lead before they take a final decision on any activity. All assurance must be provided in a timely manner. Any derogations raised must be limited to raising issues that relate to specific needs that have not been adequately addressed by the Lead and/or concerns regarding compliance with the Key Objectives and Principles.

- 5.3 Within 3 months of the date of this MoU, or such other period as the Project Board may set, the party with the lead role for any aspect of the Project shall develop a delivery plan for that part of the Project which shall identify the following:

- (a) the key milestones for the delivery the Key Objectives;
- (b) what employees (other than employees identified in this MoU) will be required to work on the project;
- (c) whether any staff will need to be seconded from one party to the other;
- (d) what staff will require access to the premises of the other party;
- (e) what cost will be incurred.

Each delivery plan must be approved by the Project Board prior to being implemented.

6. ESCALATION

- 6.1 If either party has any issues, concerns or complaints about the Project, or any matter in this MoU, that party shall notify the other party and the parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Project Board, which shall decide on the appropriate course of action to take. If the matter cannot be resolved by the Project Board within 28 days, the matter may be escalated to the Sponsors' Board for resolution.

- 6.2 If either party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, claims made by a supplier but excluding requests for information made under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004) in relation to the Project, the matter shall be promptly referred to the Project Board (or its nominated representatives). No

action shall be taken in response to any such inquiry, complaint, claim or action, to the extent that such response would adversely affect the Project, without the prior approval of the Project Board (or its nominated representatives).

- 6.3 If either party receives any request for information made under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004) in relation to the Project, it shall inform the other party of the request and of its proposed response. The party receiving the request shall take account of representations made by the other party in determining its response.

7. INTELLECTUAL PROPERTY

- 7.1 The parties intend that [notwithstanding any secondment] any intellectual property rights created in the course of the Project shall vest in the party whose employee created them (or in the case of any intellectual property rights created jointly by employees of both parties in the party that is lead party noted in clause 5 above for the part of the project that the intellectual property right relates to).

- 7.2 Where any intellectual property right vests in either party in accordance with the intention set out in clause 7.1 above, that party shall grant an irrevocable licence to the other party to use that intellectual property for the purposes of the Project.

- 7.3 Any intellectual property arising from work funded from the project budget shall be jointly owned.

8. TERM AND TERMINATION

- 8.1 This MoU shall commence on the date of signature by both parties, and shall expire on completion of the Project **OR** 31 March 2015.

- 8.2 Either party may terminate this MoU by giving at least three months' notice in writing to the other party. On the giving of notice of termination, the parties shall negotiate an orderly wind-down of the Project, and the payment of all outstanding costs from the project budget in accordance with Annex D. Neither party shall be liable to the other in respect of the termination of this Agreement before the completion of the Project or should either party at any time decide not to proceed with consideration or implementation of a District Heating Scheme

9. VARIATION

This MoU, including the Annexes, may only be varied by written agreement of the Sponsor's Board.

10. CHARGES AND LIABILITIES

- 10.1 Except as otherwise provided, the parties shall each bear their own costs and expenses incurred in complying with their obligations under this MoU.
- 10.2 The parties agree to share the costs and expenses arising in respect of the Project between them in accordance with the budget to be developed by the Project Board and approved by the Sponsors' Board within three months of the date of this MoU, and subject to the principles in Annex D.
- 10.3 Both parties shall remain liable for any losses or liabilities incurred due to their own or their employee's actions and neither party intends that the other party shall be liable for any loss it suffers as a result of this MoU.

11. STATUS

- 11.1 This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the parties from this MoU. The parties enter into the MoU intending to honour all their obligations.
- 11.2 Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party as the agent of the other party, nor authorise either of the parties to make or enter into any commitments for or on behalf of the other party.

12. GOVERNING LAW AND JURISDICTION

This MoU shall be governed by and construed in accordance with English law and, without affecting the escalation procedure set out in clause 6, each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

13.

Signed for and on behalf of the Council

Signature:

.....

Name:

.....

Position:

.....

Date:

.....

Signed for and on behalf of the University

Signature:

.....

Name:

.....

Position:

.....

Date:

.....

CONTACT POINTS

Council

Name:

.Simon Payne.....

Office address:

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Tel No:

.....

E-mail Address:

.....

University

Name:

.....Joanna Simpson.....

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.....

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..01223 330883.....

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Annex A. The Project

Project overview

The purpose of the project is to evaluate, design, cost and establish the basis on which a district heating network might be commissioned within the City of Cambridge

The Key Objectives

The over-riding aim is to enable the commissioning of a feasible, deliverable, cost effective scheme to provide heating and electricity to the parties and others within the City of Cambridge at a lower rate of carbon emission than the current infrastructure.

This will be achieved by:

Producing a design for the scheme which services the main users in the most cost effective and energy efficient manner possible ;

Establishing and agreeing and committing a site on which the required plant and building may be located;

Evaluating the likely cost and income produced by the network such that delivery of the scheme is at least cost neutral to the parties;

Producing a business plan of sufficient quality to enable the parties separately to decide whether to proceed with investment and implementation of the scheme;

Ensuring that there are no planning constraints which might prevent implementation of the scheme;

Agreeing and implementing an appropriate corporate structure which would commission and operate the network;

Agreeing an operational model for the network which achieves an appropriate balance of risk and cost; and

Securing funding for the scheme either from the parties themselves or from third parties on terms acceptable to the parties themselves.

The existing position and contributions already made

The Council have commissioned at their cost, through the Low Carbon Development Initiative, feasibility studies and a financial evaluation of a district heating scheme for Cambridge. These documents have been made available to the parties.

Annex B. Sponsors' Board terms of reference

- **Remit:**

The Sponsors Board is responsible for determining strategy for the project and providing over-sight for the actions of the Project Board. The Sponsors' Board shall:

- Approve an overall budget for the project within the funds made available by the parties;
- Determine at a high level how much of that budget should be allocated to the main activities conducted during the course of the project;
- Approve the project plan and significant variations to the project plan;
- Receive and review reports about progress against the project plan;
- Approve key outputs of the project, such as outline design of the network, business plan, communications strategy, strategy for achieving planning permission, site acquisition proposals, proposed corporate form and proposed operating model; and
- Approve any applications for additional funding either via grant applications or by further application to the parties.

- **Decision-making:**

- The Sponsors' Board shall consist of such individuals as are identified in paragraph 4.3 of this MOU between the University and the Council or such alternatives as may be proposed from time to time by the parties.
- Each party shall collectively have one vote, which shall be determined by the representatives of each party present at any meeting..
- In the event of a deadlock, there is to be no casting vote, but the parties shall continue discussion until such time as there agreement to proceed or to terminate the MOU.

- **Meetings:**

- The Sponsors' board meetings should be timed to coincide with key decision points on the project plan and in any event no less than three times per year.
- The Board shall not be considered quorate unless there are two representatives of each party present at a meeting.
- Meetings may be conducted in person or via telephone at the premises of either party or in such other location as is agreeable to the parties.

Annex C. Contributions

From 1 April 2013, the parties commit to contribute equal amounts, up to a maximum of £50,000 each per year for a period not exceeding two years to be used for the creation of a budget with which to fund project management, consultancy support legal advice and such other external costs as are required to develop the project.

The Sponsors' Board shall approve the overall budget and the allocation of this budget to general heads of expenditure. Any costs incurred against the budget must be approved in advance by the Project Board.

All applications for and allocations of additional grant funding must be approved by the Sponsors' Board.

The parties agree that, with the exception of the appointment of a Project Manager for the Project, such support as they are able to render from their own employees shall be provided without charge.

Activity	The Council	The University
Project Management		
Production of project plan		
Completion of appropriate design		
Procurement/allocation of site		
Production of business case and financial model		
Review of land use planning constraints		
Maintenance of Risk Register and Risk Management		
Review of funding options		
Identify appropriate corporate structure		
Identify operating model		
Review of commercial opportunities		
Communications - plan and delivery		

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